NATION'S BUSINESS



JULY • 1936

4th of July—Made in U. S. A.
By William Feather

Restless John Lewis
By George E. Sokolsky

The Iron Whims of the Customer
By Charles M. Wilson

275,000 NET PAID CIRCULATION

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES · WASHINGTON





IN GROWING from a local packer to a nationally known food manufacturer, George A. Hormel and Company greatly multiplied their sales and distribution problems. It has been difficult for distant districts to retain the same advantages as the local headquarters area, where last-minute orders can be filled with no trouble, where rush orders are handled smoothly, where problems are voiced and decisions made immediately.



Hormel thought something ought to be done. They did it. They called in Bell System representatives to make a careful study of their communication methods in handling orders with outside districts. The result was the installation of Private Line Teletypewriter Service (typing-by-wire) between headquarters at Austin, Minnesota, and sales offices at Minneapolis, Chicago, Pittsburgh, Philadelphia, and New York, plus Teletypewriter Exchange Service at Boston.



Now questions are asked and decisions made within a half-hour from the most distant points. Delivery is more prompt and service is better in all districts. Customers are happier. Hormel is happier. The average order-handling time has been cut in half and four unnecessary operations eliminated. A single typing at any field office simultaneously produces all necessary carbons and master copies at Austin. No time lost. No checking. No recopying. No errors. And all these advantages were accomplished at a substantial saving over former costs.

A similar survey might develop the same or other economies in your business. Why not discuss it with the local Bell Company? No charge. No obligation.



BUSINESS FIRMS FIND PLYMOUTH COSTS LESS TO RUN





PLENTY OF ROOM for samples, cases or luggage ... no lifting over high sill or spare tire.

Owners' records show 18 *to* 24 *miles per Gallon*

THIS YEAR Plymouth sales to large manufacturers of machinery increased 200%—sales to meat packers increased 600%—and food companies have increased their Plymouth fleet purchases 800%!

They have found Plymouth costs less to run. "Look at All Three" low-priced cars. You'll see only Plymouth offers all these economy features: the simplicity of a 6-cylinder "L-head" engine, full-length water jackets, directional cooling, full-pressure lubrication, oil filter, calibrated ignition, 6.7-1 compression using regular gas.

Owners' records show 18 to 24 miles per gallon... amazingly low oil consumption... lowest upkeep costs. And remember, Plymouth is still the only one of "All Three" that gives you both a Safety-Steel Body and *double-action* Hydraulic Brakes.

"All Three" are priced about alike today. Compare prices and features before you decide on any cars for business or personal use.

Ask any Chrysler, Dodge or De Soto dealer about Plymouth's low transportation costs for your men.

PLYMOUTH DIVISION OF CHRYSLER CORP.

$510

AND UP, LIST AT FACTORY, DETROIT
SPECIAL EQUIPMENT EXTRA

PLYMOUTH BUILDS GREAT CARS

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Anything *commonly handled by people can quickly become a dangerous source of germs.*

Disease Germs, too, can "HANG" on Car Straps!



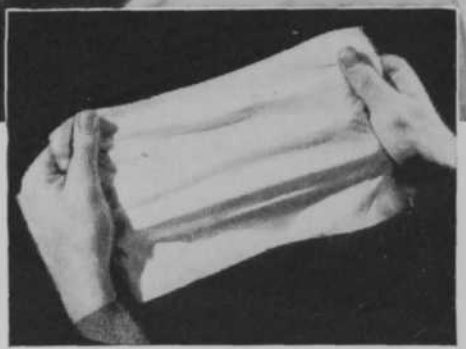
FRESH, individual ScotTissue Towels prevent your washrooms from being "transfer stations" for contagious disease germs.

For only *one* person uses a ScotTissue Towel *once*—then throws it away.

These sanitary towels do a better, more comfortable job of drying, too. Their "soft-weve" thirsty fibres drink up the moisture. Clothlike, S-T-R-E-T-C-H-Y, they allow you to reach deep down into creases of the face and hands.

One ScotTissue Towel is usually enough to dry the hands thoroughly. That's a substantial saving per user per year for you.

Scott Towels are guarding the health of employees in more than 100,000 office, factory, school and institutional washrooms. You are invited to send for a free trial packet. Write Scott Paper Company, Chester, Pa.



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ScotTissue Towels

Used once—then thrown away!

15¢ a Day buys it
as little as
2¢ a Day runs it!



NEW LOW PRICE

Frigidaire
WATER COOLER

NOW YOU CAN HAVE

COOL, REFRESHING WATER IN YOUR OFFICE . . . ALL YEAR 'ROUND!

• End the inconvenience and expense of ice-cooled water in your office once and for all with this new, low price Frigidaire cooler. It provides an abundance of cool, sparkling water at a cost that is actually less than ice. 15c a day buys it . . . as little as 2c a day runs it.

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Enjoy the year 'round convenience and economy of this remarkable cooler. Buy it now! For details and descriptive folder, see your local Frigidaire Commercial Dealer or write Frigidaire Corporation, Department 66-7, Dayton, Ohio.

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MADE ONLY BY GENERAL MOTORS

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The Same *Strength of Character* in Half-Ton and Big Six-Wheeler International Trucks

Many of the toughest hauling assignments in the world fall to *International* Six-Wheel Trucks. The contractor knows from experience that he can count on Internationals for power, stamina, and economy. He knows that International service will keep them on the job. Whatever his work—from building a dam to mastering the remotest oilfield—he feels *safe* with Internationals.

You are in a special class if you use trucks like these, but no matter what your hauling requirements, *any* International will give you *heavy-duty stamina in proportion.* There is *extra* all-truck value in all the 28 International models, down to the Half-Ton chassis priced at $400 f.o.b. factory.

Write for the 32-page catalog on the International Six-Wheelers—the Half-Ton folder—or information on any intermediate size. The nearest Company-owned branch or International dealer is at your service.

INTERNATIONAL HARVESTER COMPANY
(INCORPORATED)
606 S. Michigan Ave. Chicago, Ill.

Illustration: *International Dual-Drive Six-Wheel Truck, Model C-55-F, maximum carrying capacity 23,000 lbs. International Six-Wheelers, Dual-Drive and Trailing-Axle, range from 11,400 lbs. up. Wheelbase lengths 168 to 244 in., permitting bodies for a wide variety of application.*



INTERNATIONAL TRUCKS

QUESTIONS our readers are asking:

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2 • WHAT is the function of true American government? ON PAGE 16

3 • WHY are plastics playing such a large part in American industry today? ON PAGE 18

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IN the absorbing story of Mutual fire insurance one significant phrase stands out . . . *"year after year!"*

For example, in connection with saving money. You may have a house to insure . . . or a factory building . . . or a whole city block, and you want to know how to save money *wisely,* year after year.

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They buy Mutual fire insurance, because it provides every policyholder with sound protection, thorough service, prompt payment in full when losses occur . . . and the *extra* advantage of substantial saving in net cost . . . year after year.

Write for the free booklet entitled "Mutual Fire Insurance," to the Federation of Mutual Fire Insurance Companies, 919 North Michigan Avenue, Chicago, Illinois.

This seal identifies a member company of The Federation of Mutual Fire Insurance Companies and the American Mutual Alliance. It is a symbol of soundness and stability.

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An American Institution

Constant Vigilance is the Price of Ipana's Perfection

* * *

THE TELAUTOGRAPH in the manager's office spells out "Ipana 6D15 –MX29.6 O.K."–symbols that are an uncompromising guarantee of quality.

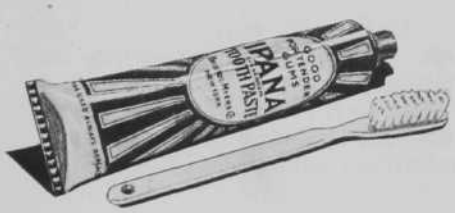
Behind that laconic message stand Ipana's staff of scientists and the finest laboratory owned by any dentifrice. There, 67 separate tests are made at various stages of manufacture.

Expensive? Yes. But Ipana must protect the millions who use it. Every tube must justify the confidence and the approval Ipana has earned in the dental profession.

Your dentist is familiar with Ipana's contributions to better oral health. He knows the dangers of our modern soft food menus to teeth and gums. When he suggests Ipana and gum massage, he's introducing you to a hygiene measure he knows has proved effective in thousands of cases of tender and ailing gums.

GUARD AGAINST "PINK TOOTH BRUSH"

If "pink" shows on your tooth brush, go see your dentist at once. Possibly some serious gum disorder threatens. More probably, your gums merely need what modern dentists do frequently advise–more stimulation, greater care, daily massage with Ipana Tooth Paste. But, under all circumstances, *let your dentist decide.*



For sound teeth and healthy gums

IPANA
TOOTH PASTE

Through the Editor's Specs

Capitalism in Red

WATCHERS of the Russian experiment report that the Soviet master minds do not function without taint of capitalistic rule. The Socialist state, as it exists at present in the Soviet Union, says the Moscow magazine *Bolshevik,* is represented as the first and lowest stage in communism and prepares the way for a higher social order by eradicating class distinctions and all inequalities among individuals.

As long as the present phase continues, the magazine declared, there will be a need for the use of power as a means of compulsion. The retention of the principle of payment according to quality and quantity and the amount of labor performed must also continue.

It is all very confusing. Over here capitalism is being relegated to economic limbo as fast as the public planners can think up ways to get it there. That capitalism is demonstrating its worth in Russia may signify as much of perversity as of paradox. Whether America is becoming more Russian than the Russians is a question defined with regimentation by executive order and propaganda by a commissariat which still accompanies its restraints upon liberty with professions of its social mindedness. Russian logic could readily charge the new America with infringement of copyright. Possibly it all comes of eating indoctrinated caviar.

Blessings of a surplus

HOW FAR business has traveled in lean years on the fat accumulated in good times is demonstrable through the showing of industrial research, largely financed with the providence under heavy congressional attack in the drive on surpluses. If there were any doubt of the usefulness of spending to widen industrial horizons, it could be banished with the contributions of representative companies. Consider General Electric. For the five years 1930-1934 the ratio between business attributable to "new" lines of products—that is, lines not manufactured more than ten years before —and total business for all lines of the company was, on the average, approximately 10 per cent higher than for the five prosperity years 1925-1930. That corporate thrift is a public benefactor, any man can see who will observe the way company nest eggs regularly hatch into new accessions to the ease of living.

Thrift in hard case

A GOOD deal is said in reasoned fear that predatory tax proposals would penalize small businesses which must use their own future surpluses for expansion purposes. The president of an Ohio manufacturing company makes a case in point by writing of the situation of his concern.

His company's capital stock amounts to $271,300, issued and paid up. Annual business is about twice that figure—last year sales were $576,310. Of the sales dollar, materials, direct labor and factory expense took 65.35 cents of which 48.9 cents actually went for labor, depreciation took 4.67 cents, administrative and sales, 23.03 cents, and direct taxes, .97 cent, leaving 5.88 cents profit, which means a profit of $27,904 on the total sales. The president says:

> We did not feel it safe to pay 6 per cent dividends to our stockholders, but they should have received that much which would amount to $16,278, leaving a balance for surplus of $11,626. Before this profit of $27,904 was shown there was deducted a federal tax of $5,792.
>
> The $11,626 presumably should be added to surplus as a reserve for bad years, of which we have had a number in which we operated at a loss instead of a profit. Part of it should be reserved for additions to plant and equipment, it being understood that the regular reserve for depreciation is used for replacing machinery and equipment. Then another vital need for some profit over and above that which should be paid out as dividends is necessarily for research to keep abreast of competition or if possible ahead of it.

No good to work for better times if the backlog which prudence would put by is consumed in the present. That corporate thrift should be confiscated in the name of national well being is a perversity confounded by

The big Parade

America is on parade again—for a new ideal of travel comfort has swept the country! Thanks to Chessie, the traveling public has rallied behind the *Sleep Like a Kitten* banner of the Chesapeake and Ohio Lines . . . volunteers coming all the way from the Pacific Coast to join the company of happy passengers who have found supreme comfort on George Washington's Railroad. So it's three cheers for America's Sleepheart—and three more for genuine air conditioning! There's a place for you in the big parade—forward march to The George Washington, the most wonderful train in the world!

THE GEORGE WASHINGTON
THE SPORTSMAN • THE F. F. V.

The ticket agent of any railroad can route you on the finest fleet of genuinely air-conditioned trains in the world. Insist upon it!



George Washington's Railroad
CHESAPEAKE and OHIO Lines
Original Predecessor Company Founded by George Washington in 1785



Visit the Chesapeake and Ohio miniature model railroad, the largest in the world, at the Steel Pier, Atlantic City—during July, August, and September.

"A-L-L A-B-O-A-R-D *The George Washington!*" ST. LOUIS—Union Station; CHICAGO—12th Street Central Station; INDIANAPOLIS—Union Station; LOUISVILLE—Central Station; CINCINNATI—Union Terminal; WASHINGTON—Union Station; PHILADELPHIA—Pennsylvania R.R. Stations; NEW YORK—Pennsylvania Station.

its own improvidence. The idea that a business moves forward on its savings is as demonstrable as it is serviceable.

Need for prayer

NEWSPAPERS make much of stockholders' criticisms of company managements. Praise, it seems, is not news. When Virginia Electric & Power held its annual meeting, Freeman Harris, a white-haired Negro, who greased tracks for the company for 43 years before being pensioned, was the only one of 12,000 stockholders present. His comment on operations of the company was an appreciation of the treatment accorded him during the years. Explaining that he could remain only a short while, he offered a prayer of divine blessing and guidance for the company, its employees and the community, and then rushed away to a meeting of church deacons.

Whether other utility stockholders seek guidance in prayer the record does not show. Increasingly in evidence is the fact that the federal Government's dispensations for competitive facilities have defined problems beyond the ordinary exigencies of private management.

Sunkissed taxes top crops

WHAT the California State Chamber and the San Francisco *Examiner* think about taxes has been told in cartoon and comment. Jointly they are publicizing the assertion that in 1935 California's tax bill was greater than the State's agricultural income. Says the *Examiner:*

> California is a rich agricultural state. All the world looks to it to supply fruits from its trees, grain from its fields, succulent vegetables from its truck gardens. And in 1935 California growers received a total of $535,000,000 for these agricultural products.
>
> What a handsome balance that would give the state! But wait.
>
> All that money and more—a total of $550,000,000—was seized by the tax grabber.
>
> Of course California has other industries—mining, petroleum, manufacturing, fisheries. That's fortunate, otherwise the whole state would be delinquent.

Whether the situation is as "sinister" as the *Examiner* contends may be a matter of partisan opinion. Less debatable is the non-political realization that in California, of all places, nature is running second to taxes.

A maker of license

WHILE the House was debating the 100-page first deficiency appropriation bill for 1936, Representative Church of Illinois paid his respects to the "hypocrats," the gentlemen "who would further political interests at

the expense of human suffering." The homesteaders, he felt, were forced to contract away their souls to the Resettlement Administration. Here are his words:

I have in my office what is known as the temporary licensing agreement. It is listed as form RA-MA 12, revised January 15, 1936, and approved by the Administrator. Get one and read it. You will find that the licensee contracts that he "shall not" and "shall not," but, rather, he will "comply," "observe," "adopt," and "adhere."

I would, for example, call your special attention to the fact that under item 4 of this license the licensee contracts that he will "adopt and adhere to any cropping program and tillage practice stipulated by the licensor."

Along with the burdens put on the poor and needy, he discovered an insult to Congress.

It is in item 6 in the temporary licensing agreement of form RA-MA 12 I just mentioned, and it is in item 8 in the form used for the community projects. I shall read this provision to you:

6. Noneligibility to benefits: No Member of or Delegate to Congress or Resident Commissioner shall be permitted to any share or part of this license or to any benefit that may arise thereupon.

Possibly it will turn out that the insult Mr. Church takes so ill will prove to be unconstitutional. Surely there is glory enough for all in playing lord bountiful to a nation. The trouble with political gift giving is that the powers that pass the blessing eventually pass the buck.

Elections check business

NEVER completely insulated against the shocks of political disturbance, business faces the election with a calm inversely proportional to size.

During presidential election years business, on the average, has been roughly four per cent worse than in any of the three other years of the presidential term, research at the University of Chicago indicates. Lowest point of business in the four year cycle is found in the July preceding election, when business is approximately 8 per cent worse than in the peaks of the preceding September or of the following July. Professor William F. Ogburn and A. J. Jaffe, graduate student, turned inside out the 17 election years from 1868 to 1932. Their conclusions, they warn, are true on the average only, and any individual election period may differ widely from the relationship given. The trouble is, of course, that in an election year even an average can go political.

A citizen is honored

IF YOU want something done go to a busy man. Thirty-five thousand citizens of Middletown, Ohio, affirmed that text in celebrating the birthday of the head of the Armco plant. For



BUSINESS IS SWAMPED

When business figures do not *flow smoothly*

Figures, the very life blood of business, pour into every office, factory, bank, and store, every hour of every day. For twenty-four years Monroe has led in controlling this flow — simplifying and speeding it, producing accurate business figures at the lowest possible cost.

Today, in addition to its world-famous adding-calculators, Monroe offers adding-listing, bookkeeping, and check writing machines. Each Monroe is compact and desk-size, each has the famous "Velvet Touch" keyboard that takes the strain out of figuring.

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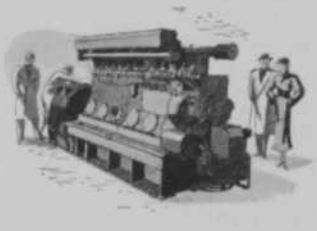
Monroe Adding-Calculator
Model LA-6. Portable, weighs only 16 lbs. Takes up no more desk space than a letterhead. Completely automatic multiplication and division.

Call the nearest Monroe branch or write the factory; ask to see a "Velvet Touch" Monroe at work on your own figures. It involves no obligation. Send for free copy of booklet, *"If Only I Could Work On Your Desk For An Hour."* Monroe Calculating Machine Company, Inc., Orange, New Jersey.



ON TRANSPORTATION'S NEW HORIZON

Across the new horizon of modern high-speed travel has flashed a new luminary — the "Comet" of the New York, New Haven & Hartford Railroad. This ultra-modern streamlined flyer meets a mile-a-minute schedule daily over the 44-mile Boston-Providence run. Its speed and comfort are the result of new standards in design, engineering and construction. And though the hands and brains of a hundred different industries assisted in its creation, its motive power and electrical equipment were entrusted to Westinghouse alone.



Complete motive-power and electrical equipment for the New York, New Haven & Hartford's "Comet" was furnished by Westinghouse — pioneer in railroad electrification and street-railway development, and builder of America's first Diesel-electric rail-car for revenue service.

Two 400-horsepower Westinghouse-Diesel engines, with direct-connected generators, transmit current to the Westinghouse motors which drive the three-car "Comet" over the flying rails. Auxiliary generators provide complete lighting and air conditioning, with Westinghouse apparatus meeting every need for comfort and convenience.

Westinghouse points to its work on the "Comet" as further evidence of this organization's service to the Transportation Industry—a service in which 50 years of experience have created many tangible achievements plus an ever-increasing ability to solve the problems of the present and future. Westinghouse Electric & Mfg. Co., East Pittsburgh, Pa.

50 YEARS OF ACHIEVEMENT

WESTINGHOUSE 1886 W 1936 GOLDEN JUBILEE

25 years George M. Verity has helped build a city as well as an industry. Simple and eloquent the tribute of those who appraised his life in the name of his fellow citizens:

. . . we express to you their appreciation, for all that you have done for us, for our families, and for our community during the years that you have been our inspiration and our guide.

In the name of all of our citizens we extend their congratulations on your anniversary and express best wishes for your future happiness.

Such testimony provides its own qualification of the charge of an anti-social business leadership. It takes no play on names to see that the Verity of it is otherwise.

Towns discover distinctions

WHOEVER searches for the common denominator of life on the American plan encounters a base pattern as various as the communities themselves. How the Vermont State Chamber turned these variations to good account is reported by James P. Taylor, its secretary. In the faith that the year-to-year activities of a town provide a story worth telling with distinction, the cover pages of town financial reports are beginning to form an art gallery of the state's scenery, history and architecture.

An exquisite etching-like sketch of scenery, exampled by the town of Warren's report, demonstrates what Sinclair Lewis calls Vermont's "topographical" patriotism. Or it may be a picture of the great work to which the city of Montpelier owes its salvation from a flood. Or it may be the artful presentation of some other feature which sets a town apart, such as Topham's prize Guernsey, Red Echo Jessica, "four times national class leader," captioned "A Daughter of Topham."

It was a wise man who said that accounting for the taxpayers' money could be made as interesting as a baseball score. The trouble is that the public stewards rarely speak the people's language.

A refined distinction

TO KNOW the line between PWA and WPA requires the delicacy of perception immortalized by John Byrom two hundred years ago,

Strange all this difference should be
'Twixt Tweedledum and Tweedledee.

Whatever the degree of public confusion traceable to the literal transposition of purposes, the United States Government Manual, the official guide to authoritarian activities, implies a distinction.

The Federal Administration of Public Works, says the manual,

has as its chief aim the reduction of unemployment and the restoration of purchasing power through the construction of useful public works and the encouragement of long range planning in the field of public works.

Of the Works Progress Administration, it says,

The Works Progress Administration is responsible to the President for the honest, efficient, speedy, and coordinated execution of the Works Program, as a whole, in such a manner as to move from the relief rolls to work on projects or in private employment, the maximum number of persons in the shortest time possible.

In addition to this administrative responsibility, the WPA operates its own work projects, initiated for the most part by States and municipalities of the country. The State WPA programs carry the major part of the employment objective of the entire program, providing jobs for more than 75 per cent of the total 3,500,000 workers.

Jugglery in high places

WHETHER the budgetary right hand of the AAA as it works on a tax bill knows what its left hand is doing is a question to puzzle orthodox Department of Agriculture price experts as well as the plain citizen who can take his figures or leave them. With AAA crop figures as the nub of computation, new cotton would sag to 10 cents or lower, and wheat to a farm price of 60 cents to 65 cents. Department of Agriculture price specialists see higher levels—cotton at 11½ cents to 12 cents, wheat at 75 cents to 80 cents on the farm. The discrepancy makes fodder for the cynic. In normal eyes agriculture may at times look down at the heel. When it appears with no heel at all, vision is contending as much with fantastic illusion as with realistic deficiency.

Butter and egg man, too

A BREAK of four cents a pound in the butter market, approximately $900 per carload, is enough to give Washington fresh pretext for activity against declining farm prices. As reported by *Dairy Produce,* from time to time the Government had been purchasing a little butter for relief purposes, but following the mentioned price break the government rushed forward to help the needy.

There was little or nothing in the futures market until the government intervened. Then things perked up a little and a scattered amount of new speculative support brought about higher November levels. Current months followed with June selling as high as 25¾¢, but only momentarily.

All pervading as the activities of government now seem to a harangued and harried business community, the infinite variety of authoritarian rôles is exemplified in presenting Uncle Sam as a big butter and egg man.



DEMOCRAT or Republican—your profits for the next 12 months will rest primarily on what you have to sell—and the price at which you can sell it profitably. . . . For 700 years the world's shrewdest business men have covered the Leipzig Trade Fairs, in order to know what the whole world offers in their lines. Whether you buy for a store or for a factory, investigate this sure source of profits for your business. Write today for Booklet No. 27. Tell us your interests and let us show you *your* profit possibilities. Leipzig Trade Fair, Inc., 10 East 40th Street, New York City.

◆ **GENERAL MERCHANDISE FAIRS—6000 EXHIBITORS FROM 25 COUNTRIES—AUG. 30th TO SEPT. 3rd**
Household goods, jewelry, lighting fixtures, ceramics, books, toys, musical instruments, fancy goods, optical goods, kitchen utensils, advertising materials, china, precious metals, clocks, leather goods, sporting goods, watches, motion picture equipment, paper goods, notions, arts and crafts, textiles, traveling requisites, glassware, hardware, etc., etc.

◆ **BUILDING, HOME AND INDUSTRIAL EQUIPMENT FAIR—1000 EXHIBITORS—AUG. 30th TO SEPT. 3rd**
Of particular interest to architects, builders and contractors in all lines.

◆ **150,000 BUYERS FROM 75 NATIONS**
By covering the Fairs, these shrewd business men stay six months ahead of their competitors.

◆ **36 PERMANENT FAIR PALACES AND EXHIBITION HALLS**
Many of them larger than Madison Square Garden in New York City.

◆ **SPECIAL TRAVEL DISCOUNTS TO FAIR VISITORS**
Let us send you the full details.

FOR 700 YEARS
the world's market place



Not too dear for those you hold dearest

READY to stand sentinel over your loved ones, when they drive, is Goodyear's new combination of Double Eagle Airwheels* and LifeGuard* tubes. Against blowouts, here is safe surety made *doubly* sure. Against *any* tire hazard, here is the finest safety equipment now purchasable in the world. The incomparable protection it affords on the fast maneuverable new cars has been proved by weeks of "third degree" tests at 96 miles an hour on blistering-hot Bonneville Salt Flats. You ought to have these twin Goodyear guardians on *your* car, even if they do cost more. They are not too dear for those you hold dearest because their mission is not to save money, but to save life.

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GOODYEAR LIFE GUARD TUBE

A Look for the yellow valve stem and blue cap.

B LifeGuards* take a little longer to inflate because air passes gradually from "inner tire" to outer tube through this VENT HOLE.

C On this two-ply "INNER TIRE" you ride to a stop with car under control, even though casing and outer tube blow wide open.



*Trade-mark Registered

NATION'S BUSINESS
★
A MAGAZINE
FOR
BUSINESS MEN
★

A Tax Collector Speaks

RECENTLY a young Washington official took the floor:

Of course, business men oppose higher taxes. Why not? They have to pay 'em. You don't hear the average citizen complain. The business man is interested in saving his own skin. That's why he yawps.

The business man might well retort:

Boost taxes to the skies! I don't care. I'm, after all, only a tax collector. You force me to get it from the worker and the consumer. It is an unpleasant job. The worker blames me for the smaller size of his envelope; the consumer blames me for the higher cost of things. This makes it harder for me to carry on my real job of producing and distributing but if you think my yawp against more taxes is a selfish one, you've got another think coming.

Business is only the conduit through which taxes flow from the taxpayer to the taxing power. The oil companies collected a cool billion from the drivers of motor vehicles last year; the baker, the landlord, the electric light company, the railroad all similarly collected from their customers.

At the same time business collects from its workers. In these columns recently it was pointed out that the Goodyear Tire and Rubber Company while paying $1,089 in wages to each of its 40,000 workers (including foreign plantation labor) it paid $453 in taxes for each laborer. This is not an unusual situation; for example, the oil and electric power industries pay dollar for dollar.

It is said that labor is restless. Political leaders justify many new expenditures, new agencies of control, and security plans, on the ground that labor must be mollified. Perhaps it should be restless. But are not its leaders pointing its resentment in the wrong direction? Is the employer responsible or is the burden of taxation?

At each worker's bench there sits an invisible competitor who does not produce, but who accompanies the real worker to the cashier's window each week and demands and gets a wage envelope half or equal the size of that of the real worker. He is as definitely on the pay roll; sickness, lay-offs, reduced sales, strikes, nothing worries him, or prevents him from appearing regularly at the pay window.

This should make labor restless.

And his competitor follows him as he drives home. He is at the gasoline station, at the bakery, standing by the side of the landlord, and present as the gas is turned on in the kitchen and the electricity in the living room.

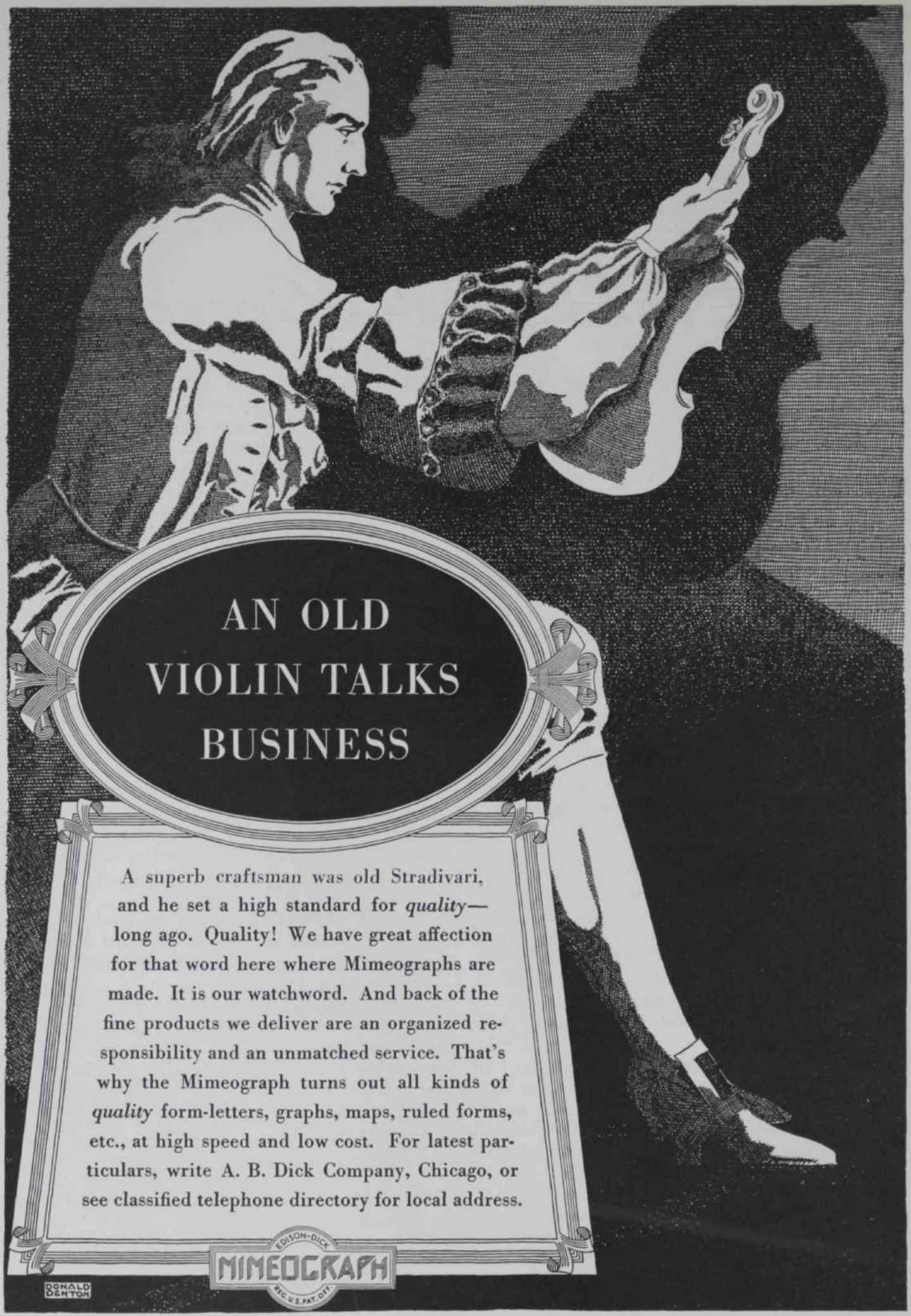
It was thought clever strategy in Washington to emphasize "corporations" in the new tax bill. "Nobody loves a corporation," it was said. "Too many people are beginning to worry about who is to pay the government debt, so show them that it won't touch them; we'll get it out of the corporations."

But while the people may not know it touches them the sorry truth is that they are paying now and must ultimately pay for every dime expended. The millions of stockholders, the millions of workers, the consumers everywhere will get the bill, hidden perhaps, but nevertheless, a bill that must take precedence over all other obligations.

Business realizes this. When it opposes taxes—and the unnecessary political activities which make taxes necessary—it is in reality speaking for the laborer and the consumer. In a larger sense it is speaking for the social and national welfare. The less taken for politics, the more for purchasing the conveniences of life, which, after all, are the stuff out of which standards of living are made. And the stability of the nation's credit determines the stability of each individual's well-being.

If business as tax collector stilled its voice and thus entered into collusion with the tax spender, then the familiar charge of non-social selfishness might hold. Until then why not call it business statesmanship?

Merle Thorpe


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VIOLIN TALKS
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EWING GALLOWAY

If the populations of the different nations could choose where they wished to live, the pilgrimage to the United States would be so great existing ships could not transport it

4th of July—Made in U. S. A.

By WILLIAM FEATHER

WHAT SIGNIFIES the Fourth of July in the year 1936? Is it "the great anniversary festival" for which John Adams hoped when he wrote his wife July 3, 1776? Every citizen has part of the answer in his own mind and heart. It is becoming apparent that a tradition of freedom is not sustained with "pomp and parade, with shows, games, sports, guns, bells and illuminations. . . ."

There is something else necessary.

Americans are sometimes criticized for lack of respect for national symbols. Well may experience retort that where national institutions are in process of political destruction, the people may be hard put to find the enduring substance for celebration. Physical evacuation of foreign troops once signalized opportunity for domestic rule in America. Winning victory from foreign imperialism was a victory only half won. Alien philosophies of government can still penetrate the defenses of patriotism.

All well enough to treat eye and ear to spectacles, speechifying and fireworks. Their service to the cause of freedom is nil. Still stands the ancient admonition, "eternal vigilance is the price of liberty." An appraisal of the American way of life is here presented with the thought that its beneficiaries may ponder why and what they celebrate on Independence Day.

AFTER a brief visit in Paris and London last month, I returned home, and indulged in a period of meditation. Out of this came the fervent wish that the United States might attempt one final experiment which, in my opinion, would end all experiments.

The idea would be to transport a million Americans, selected by lot from different age and nationality groups, not exclusively native-born, to European countries for a year of work and observation. Their transportation expenses would be paid and they would be allowed subsistence money in the event that they were unable to find employment. They would also be guaranteed return fare, if they cared to return.

In exchange, this nation would offer to receive a million Europeans of different nationalities, with the understanding that they need not re-

turn to the homeland if they did not care to do so. Transportation, minimum subsistence, and return fare would be guaranteed. (It is unlikely that any European country would cooperate in this mad adventure. In the first place, they would not relish the possible result of such invidious comparison. In the second place, they couldn't stand the expense. In any event, the United States would hold the bag, because this country would live up to its bargain on both ends, and do exactly for the visitors here what it pledged itself to do for our countrymen over there.)

What I should like to determine through this experiment is how many Americans would thrive and choose to remain in Europe, and how many Europeans would thrive and choose to remain in the United States.

I have my own ideas and intend to express them, although I realize that they present only one man's opinion. I suspect that of the million Americans, 50,000 might remain in Europe, provided they did not lose their American citizenship by doing so. If they had to give up their citizenship, I doubt if 5,000 would remain.

What of the Europeans who came here? Again this is simply one man's opinion. The score, I predict, would be reversed. Even at the expense of losing their citizenship, I doubt that more than 50,000 would return to their native land at the end of the year.

Is this speculation nonsense? I don't think so because the deepest impression I have gained during two visits in Europe in the past three years is that, if the populations of the different nations of the world could choose where they wished to live, the pilgrimage to the United States would be so overwhelming that existing ships could not transport them. Depression or no depression they would come here, and take their chances, not of enjoying our dole while they were waiting for a job to turn up, but of finding employment that would supply them with a living.

That they would find jobs there is no question. They would find jobs because they are accustomed at home to work hard for very little. The air, the expanse, the freedom, the institutions, the opportunities that exist within our borders would be intoxicating to the oppressed millions of Europe, just as they would be to the Americans who returned to their native land after experiencing conditions in Europe.

Nobody contemplates such an experiment, least of all this writer, but I am hoping that, through oratory, poetry, or the expression of plain common sense, the American people can be made to realize that the American system and philosophy are as different from anything else that exists on the face of the earth, except in isolated quarters, as day is from night.



Only under the American system will you find workmen's cars parked like this outside a factory

The whole world went into temporary darkness as a consequence of the blight that belatedly followed the World War, although the blight arrived at the usual time and in the sequence that is common to all great wars. Students of history who have patiently traced what happened after the Napoleonic War and our Civil War have been able to time to the year the dismal events that have occurred in this country and throughout the world, and they have also been able to time the rebirth, or bottom of the depression which, incidentally was reached in the middle of 1932. At that time, in every place in the world, improvement was noticed. Some nations, notably Great Britain, kept going ahead and have never hesitated. What's wrong here?

The old has been damned

CIRCUMSTANCES, peculiar to our system of government and our temperament, kept us from keeping pace with the procession. For a long time there was a general feeling that the United States was washed up, and that our institutions had to be wrecked and rebuilt. Consequently we have spent the past three years in debate, with part of the population damning everything new and the other part damning everything old.

Of the new, no one can say what the outcome may be. Of the old it is fitting that some one should speak out at this time since this is the occasion of the birthday of American Independence, and what we have accomplished under free government in 160 years is regarded as modern history. That is a short time in which to build a nation, to span a great continent with concrete highways and steel rails, to bisect the hemisphere with a canal, to dot the vast area with public schools, to afford decent housing and care for defectives, to absorb and train millions of immigrants, to fill the highways with 25,000,000 automobiles, to generate and distribute electricity to most of the houses, to string a telephone wire into nearly as many homes, and to put a radio into every one's home. (Or is there a man without a radio?)

All this was accomplished under a system, believe it or not. In essence, the system was what Thomas Nixon Carver, professor of political economy, emeritus of Harvard University, calls Economic Voluntarism, which, in his words, means "a voluntary system under which men work together on the basis of voluntary agreement, or contract, rather than on the basis of coercion, or the authority of the few and the obedience of the many."

Just think about this when you are smoking a cigar and contemplating the state of the world on the Fourth of July. Not Washington, or your Congressman, or any government bureaucrat or autocrat had much of anything to do with devising ways to earn the money to pay for the skyscrapers, hotels, houses, schools, recreation resorts, railroads, utilities, highways, and automobiles that so distinguish our country. Properly they gave their attention to the encouragement of business competition, to the restriction of immigration, to the suppression of violence and fraud, to the public health and safety, and to the control of national resources. They levied taxes high enough to produce income to balance the budget, and they strove to reduce the national debt by economical management of public funds.

Such is the function of true American government. It must be the true

function because we prospered so long and so well under that system. Nothing has happened since 1930 that has made the system obsolete. We had bank failures, deflation in the stock and real estate markets, and we had dreadful unemployment, all of which required the attention of the Government and the use of the Government's credit.

But the Government did not stop there, but by its multiple activities which have no part in the American scheme of things, appears to have decided that the system of Economic Voluntarism is too old-fashioned for these modern days, and in its place it has begun the creation of a system that enshrines a government bookkeeper and belittles a business enterpriser.

If the people of this country are ready to turn in their chips and live off the bank until the money gives out, well and good. But the only thing that makes life worth living to me is freedom of choice by which I mean freedom to take my own risks, suffer my own losses, keep my own gains, choose my own mate, my own cigarettes, cigars, liquor, job, neighborhood, tailor, congressman, and working hours. I don't relish any infringement on these privileges, and least of all do I relish paying good tax money to some one whose job it is to see that I deny myself these privileges.

If we did not know that our freedom would presently be restored, this would be a dismal Fourth of July that we celebrate in 1936, because we have so much to gain and so little to lose by returning to the ways of our fathers.

On the one hand we are offered, but unlikely to get after we have paid for it, a kind of security that we are accustomed to giving dogs and cats. We are promised fair dealing in all business relations, but it seems more likely that we shall get authoritarian oppression that smells of feudalism, communism, and fascism.

Success by economic freedom

ON the other hand, we have the opportunity of going back to economic and political freedom under which every man assumes responsibility for himself. Is that too much to ask or permit a man to do who has access to a vast continent that could easily support twice as many people as are living here now? Are we not in the position of a few bullying children who have roped off the playthings from their weaker playmates and are now busting each other's noses and smashing the toys? It seems to me that we ought to be ashamed of ourselves.

Things aren't done unless somebody does them, and no man is competent to make this continent bloom and prosper single-handed. To do that job requires the will and energy and intelligence of every single man and woman within our boundaries. If each seeks his own welfare within the restrictions of the law, the job will be done, as it always has in the past. Let the Government enforce fair play, but let it allow just as much freedom to the individual as the welfare of all will permit.

I do not plead for freedom to ravage and pillage, but I do plead for freedom to build skyscrapers, dig subways, construct airplanes, manufacture automobiles, raise pigs, wheat, cotton, and corn, to use as many lumps of sugar in my coffee as I please, and to make as much money as I can.

The mechanism by which this freedom has functioned has been through prices, arrived at in free markets. Men bid at that price, and other men sell at that price. A level is reached at which goods exchange

(Continued on page 69)



ZWING GALLOWAY

Do we want to change our system under which men work together by voluntary agreement for one based on authority of the few and obedience of the many?



MARGARET BOURKE-WHITE

At work or play, plastics keep bobbing up in new uses affecting your everyday life

It's Well to

IN 1868 a printer seeking a material from which to make billiard balls unexpectedly started an industry which today is one of the most versatile in the world. Its story demonstrates again that modern competition may arise in the most unpredictable places

IF YOU took the average man into the lobby of the neighborhood theater and said: "Look at those walls. Look at those modern lighting fixtures. Aren't they beautiful? Yet once they were probably just carbolic acid and formaldehyde!"—he would answer you in one of two ways. He would say:

"Oh, yeah?" and imply that he wouldn't fall for the line of any wise guy.

Or he would go sophisticated and murmur something about:

"Ah, yes! The magic of modern synthetic chemistry!"

Chemistry and magic are very much the same thing today. Most of us don't understand either but we won't admit it and refuse to be surprised.

But few people can remain indifferent after they get a line on this big, new, growing industry, the plastics. Because, although this is still just an infant it is already a $50,000,000 industry and nobody knows how big it may become.

The $50,000,000 is only an estimate—which is the statistician's word for a good guess—but it is a modest guess for the unfabricated value of the products of the plastics industry. So is $150,000,000, fabricated value.

But, any way you measure it, the plastics baby carries a lot of weight. Already almost anything you lay hands on may be a plastic material—from billiard balls to cereal dishes, from shatter-proof glass to noiseless gears, from scale housings to buttons, from switchboards to artists' palettes, from cameras to loom box cases, from phonograph records to window curtains, from table tops to airplane propellers, from rayon spinning buckets to telephones, from—

But if you want an inventory you can spend several rainy Sundays writing down a list of things which can be made with these materials.

Right now to one extent or another they are invading the markets of many old reliable, natural or fabricated, materials.

The reason is inherent in the plastics themselves. Each member of the family has in one degree or another all these qualities:

The plastics are strong, and light in ratio to their strength. They are non-corrosive, rust-proof, acid-resisting, vermin-proof, moisture-proof, heat-resisting. They offer good insulation against electricity (dielectric strength).

Plastics are also easily machinable. Molded in complicated forms, they short-cut many assembly operations and offer production economies. Plastic materials bring with them the magic of color—color inherent in the material which does not have to be applied and does not wear off. They take high, lasting finishes. And, finally, they are durable.

This is a eulogy which is no epitaph.

Growth with radio and automobiles

BUDDING radio back in the early twenties gave the plastics a big boost. Plastics could be molded into complex shapes, they offered the necessary insulation qualities and were quickly adopted for radio coils, condensers, panels, and tube sockets. The automobile industry helped the movement along by taking up plastics for various kinds of electrical apparatus.

John Wesley Hyatt, a printer, invented Celluloid, eldest member of the plastics family, in 1868 while he was figuring out some way to make billiard balls except out of ivory. This eventful discovery, in the words of the Celluloid Corporation itself, spoken with truth but no modesty, marked "the birth of an industry which, out of laboratory test tubes, created a range of new materials adaptable to an unlimited range of industrial uses."

The Celluloid Corporation was founded in 1872 which makes the plastics industry actually about 64 years old. But it is largely in the past ten years, particularly since 1929, that the plastics have grown to true industrial proportions.

Nevertheless pyroxylin (Celluloid to you!), the first

Watch the Plastics

By RUFUS H. JONES

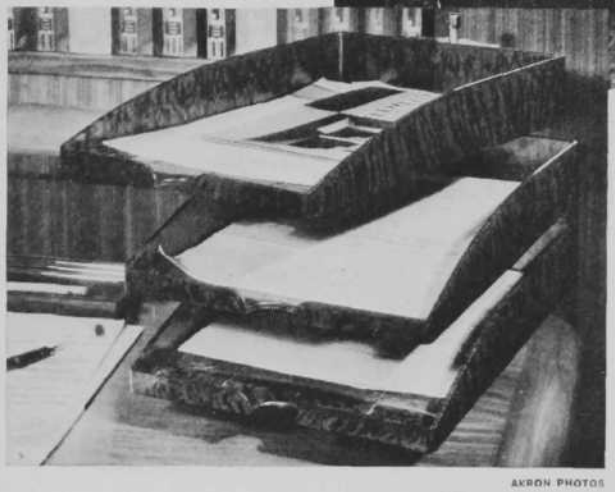
plastic, is still one of the six major types of plastic materials. To the chemist, the man behind the plastics, the other five are cellulose acetate, phenol-formaldehyde, urea-formaldehyde, casein, and the vinyl resins.

To the mythical man-in-the-street it may be helpful also to classify the plastics family another way: to say that the plastics may be molded, cast, laminated, or used in liquid form in lacquers, paints and varnishes and to impregnate wood and textiles.

Celluloid is what happens when nitric and sulphuric acids, with the admixture of camphor, go to work on



In early days plastics frequently imitated other materials. Now they stand on their own beauty



AKRON PHOTOS

A desire for novelty and a new talking point brought plastics into the office equipment field

cellulose which, in its purest form, is cotton. Celluloid is produced in sheets, tubes, and rods, and, a thermo-plastic material (one that will soften under heat and may be re-shaped) is easily molded and shaped. Everybody knows Celluloid is used for dresser sets. Not everybody would recognize it in washable pocketbooks, Celluloid-veneered wood heels, photographic film, radio recording discs, transparent wrappings, and safety glass for automobiles. Almost everybody would be surprised to know that there are at least 25,000 different ways to use Celluloid.

Celluloid's chief virtues are its fine appearance, its beautiful colors. Its one great weakness is its hot temper. At least first cousin to guncotton, it is highly inflammable.

And here you have the big reason for cellulose acetate, production of which has jumped from virtually nothing in 1932 when it was first introduced to a value around $10,000,000 last year. Celluloid costs less, it is impervious to moisture ("hydrophobic" is the word) which acetate is not. But acetate, although it will burn, will not burn violently.

Acetate is made about the same way as cellulose nitrate except that acetic acid is used in place of nitric and sulphuric acids. The two look alike to the ultimate consumer, they are used for most of the same purposes, and companies which make the nitrate make the acetate. Two big outlets for cellulose acetate are safety glass (which takes about a third of combined cellulose nitrate and acetate production) and safety film.

Big names in the acetate field include the duPont Viscoloid Company ("Plastacele"), the Fiberloid Corporation ("Fibestos"), the Lumarith Corporation, Celluloid Corporation subsidiary ("Lumarith"), and the Tennessee Eastman Corporation ("Tenite").

Also non-inflammable like cellulose acetate, and thermo-plastic like both cellulose acetate and nitrate, therefore easily molded under heat and pressure, are the vinyl resins manufactured under the name "Vinylite" by Union Carbide & Carbon Corporation. Vinylite is used in

some volume for phonograph records and, produced in semifinished forms such as tubes, rods, and sheets, is sold to fabricators for buttons, buckles, and novelties. Most recent of the plastics, it was introduced in 1934.

Second oldest member of the still young plastic industry is casein, made of curded milk cured in formaldehyde. Introduced in the nineties, today its manufacture is virtually monopolized by the American Plastics Corporation, its market by buttons. And, if casein hasn't the same resistance to heat and moisture as some of the other plastics, it still makes good buttons at reasonable cost. Most every man will find them on his suit. Casein is available in sheets and rods. Fabricators may buy it in its natural neutral color and dye it to suit the momentary whim of fashion.

The newer plastic materials

IT IS to a couple of foreigners, Dr. Leo Baekeland, and Fritz Pollak—the one Belgian, the other Austrian—that the American plastics family owes two of its best known members, chronologically succeeding casein. To Dr. Baekeland goes credit for molded phenolic resins such as Bakelite. To Fritz Pollak is due much credit for (among other plastic discoveries) the cast phenolic resins, among which is Catalin. To both, indirectly, goes credit for the liquid and laminated plastics.

To distinguish between the molded phenolics and the cast phenolics, you may generalize and say that the molded are the more practical and that certainly the cast are the more beautiful. Where the requirements are accuracy, thin sections, and complicated shapes in quantity, the answer is molded resins. Where sheer beauty, luster, and depth of color are wanted cast phenolics get the call.

In making the molded phenolics, phenolic resin (carbolic acid plus formaldehyde) in powdered form is mixed up with any number of compounds such as wood flour, asbestos in powdered or fibrous form (for resistance to heat and water), mica (for dielectric purposes), or canvas (for strength). A measured amount of the powdered mixture is dropped into a steam-jacketed steel mold heated to about 350 degrees Fahrenheit. The press comes together with a two-to-three-thousand-pound pressure, the powder fuses, and flows to fill the mold cavity. In a few minutes the press opens and out pops the finished article which then must be cured from part of a minute to a month or more, depending on the type of material and thickness of the section.

Biggest drawback and at the same time one big advantage of the molded phenolics is the mold or die. A mold may cost from $50 to more than $5,000, depending on its size and complexity. On the other hand, only with a mold can complex units be turned out economically in quantity. The molding process is well adapted to the mass manufacture of complex shapes which allows the initial cost of the mold to be spread over a large number of units.

Telephones, electric-wiring plugs, radio knobs, and bottle caps are four familiar representatives of four big markets for molded plastics: the telephone equipment, electrical, radio, and packaging industries. Throw in hardware, business machines, cameras, utensil parts, and novelties and you begin to get an idea of what molded plastics mean in your life.

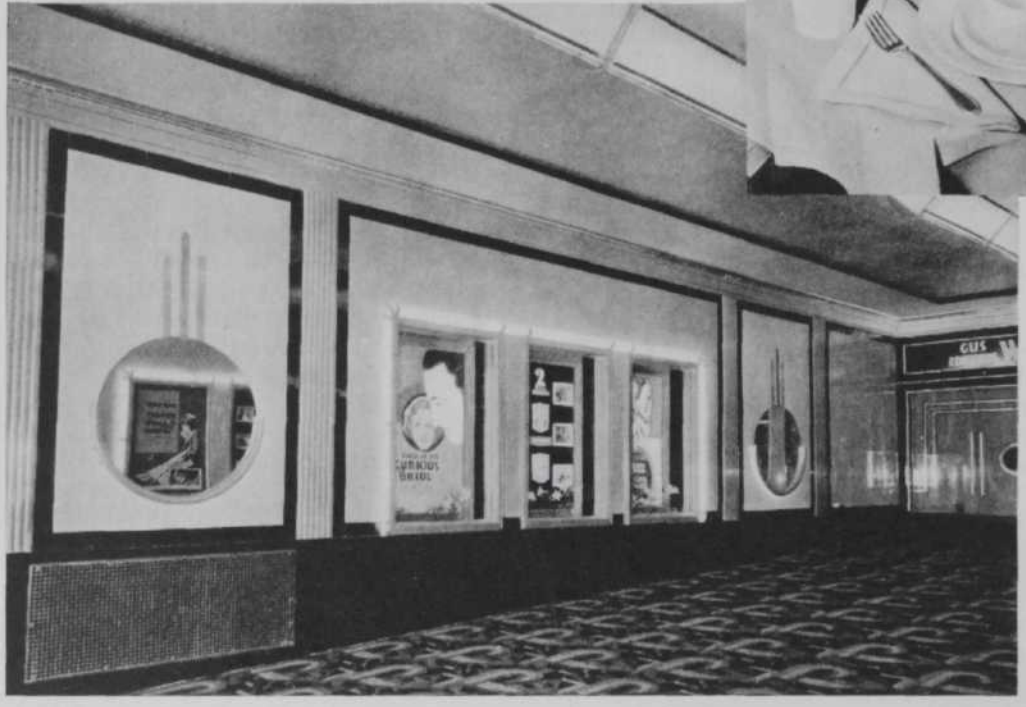
Leaders in the molded phenol-formaldehyde plastics are Bakelite Corporation, General Plastics, Inc., and the Resinox Corporation, a Commercial Solvents subsidiary. Bakelite, Durez (General Plastics) and other compounds are molded exclusively by molders who manufacture either for themselves or on contract for others. Among those who mold these plastics are Colt's patent Fire Arms Manufacturing Co., General Electric, and the Westinghouse Electric and Manufacturing Company, the last two producing phenolic resins themselves for molding purposes.

At least associated with the molded phenolic group is that important industrial classification known as the cold-molded plastics. Of three types, all of which use asbestos as a filler, one uses phenolic resins as a binder, another cement, the third asphalt (or sometimes pitch). In each, the asbestos is mixed with the binder into a dough-like substance which is dropped into a mold while

(Continued on page 64)



Even when you take to the air, the plastics ride along



Practically everything in this theater lobby except the rug is a plastic

Washington and Your Business

By IRA E. BENNETT, for 25 years Editor, "The Washington Post"

Dear Mac: When I talk of the Government and your business I hope you will bear in mind that I refer to all three branches of the Government. Too many people think of the executive branch as all in all. You may be sure that the executive branch itself has a different idea, especially after the knockout of three additional laws which the executive branch originated and put through Congress.

It seemed for awhile as if Congress didn't count, except as a means of carrying out the executive will. People couldn't be blamed if they thought all power was concentrated in the White House. Congress sank very low in their estimation.

Worst of it is, Congress has gone right ahead enacting questionable laws under the executive lash. Not many, however, at this past session. Besides, this is presidential year, and it's hardly to be expected that new experiments will be made before the great showdown in November. After that—well, there's the big IF.

Talk about rapid-fire changes! See what the past month has done: Three big laws declared void; Congress jams through new laws, some of which may not stand up; and the G. O. P. begins the fateful attempt to wipe out the New Deal.

IF the New Deal Administration is to stay in power, new experiments in "control" are to come. If the New Deal is mopped up in November, we can look for repeal of many laws and revamping of others.

Impossible to crowd into one letter the details of changes that may affect all business—your business as well as Standard Oil, General Motors and General Electric. Let's hit the high spots. Take the Supreme Court decisions.

Bankruptcy

CITIES, towns, irrigation districts, and other subordinate governmental authorities were overburdened with debt. A scheme was concocted whereby debts were to be compromised and scaled down, under the power of Congress to enact bankruptcy laws. Lo and behold, the "Government" in the last analysis finds that it hasn't power to facilitate scaling down of debts by states or their subdivisions, even if the latter are willing. The Supreme Court asserts that the powers of the states can't be yielded up. Congress and the executive, it seems, are not the whole Government after all. They must stay in bounds.

Minimum Wage

NEW YORK State enacted a law providing minimum wages for women and children. The Supreme Court knocks it out. Why? Because it is an attempt to abridge freedom of contract. Great indignation, talk of sweatshop evils, some of it true. But, even if the frying-pan is hot, why jump into the fire? What becomes of labor's "right of collective bargaining through representatives of their own choosing," if wages are to be fixed by law and not by free contract between employers and employees?

Besides, if Congress or a state can fix minimum wages, it can fix maximum wages. Penalties must be provided for violation of the law, of course. What becomes of the right to strike? Organized labor would be compelled to take the wages provided by law, and like them. You see there are two sides to this minimum-wage question.

Guffey Act

THE Supreme Court knocked out the Guffey Act. This Act was an attempt to regulate coal mining. Again the Court found that the federal Government could not take away the powers of the states, even if the states were willing. Mining is not commerce. After the coal becomes a part of interstate commerce, Congress has power to regulate it, even to the extent of fixing prices. That's a step forward. It may be possible, by preventing cutthroat competition, to improve conditions in coal mining.

Net effect of these three decisions is to preserve the powers of states; to protect the rights of individuals to bargain for wages; and to prevent Congress from conniving at debt repudiation by public bodies through misuse of the power to legislate on bankruptcy.

G. O. P. Keynote

YOUR letter shows that you are not confused by the first war-whoops of the campaign. There will be lots of red lights, jabbering by radio, and propaganda of all sorts. It's good to learn from you that the average man is standing to one side, taking a cold-blooded view of the situation and keeping his November decision in reserve.

First thunder and lightning gives an idea of the line of battle. The keynote of the G. O. P., in one word, is "restoration." So the voters are to have a clean-cut choice between further ventures into the wonderland of experiment and prompt return to constitutional government.

Maybe the issue will simmer down to this: Is the Government to support the people and manage their affairs, or are the people to hold the Government to its own business and manage their own affairs?

One thing is certain: If any "no-man's land" is to be preempted by the Government it must be through amendment of the Constitution and not by usurpation of powers not granted by the people.

Abuse of Authority

ONE of the weak points of the New Deal which the G. O. P. intends to attack is the tendency of "agencies" to assume unauthorized powers. So much blanket authority was granted by Congress that administrative underlings decided—perhaps rightly—that Congress wanted them to go ahead and run the country and its people. Regulations having the force of law are still multitudinous, in spite of Supreme Court trimming of the laws.

The manner in which a law is administered may be despotic even if the law itself is moderate and fair. I have heard dozens of protests against arbitrary rulings and unauthorized snoopings. The President can't attend to everything. He must rely upon subordinates, and these overzealous functionaries make plenty of mischief for him.

As the country works out of the mire of depression

there is less and less desire to grant power to the Government to make novel and drastic experiments. The President said that the crisis was over and it is certain that fewer New Deal schemes were rushed to Congress with orders to jam them through on the ground of emergency. Several far-reaching experiments, like the Wagner low-cost slum-housing plan, must wait and be scrutinized. Two years ago that project would have gone through with a whoop—and nobody would have cared a whoop where the $800,000,000 to finance it was coming from.

Battle Over Relief

ON the relief sector, the campaign battle will be fast and furious. Harry Hopkins sounds the expected keynote of his defense, saying that the plan to shift relief to the states is a heartless attempt to "take it out of the hide of the unemployed."

The retort is that relief money intended for the unemployed has been gobbled up by politicians and wasteful administration. Proof of political fattening on relief funds puts Hopkins on the spot.

More than one Democrat in Congress has told me that the Hopkins relief outfit is the Achilles heel of the Administration. They say:

"This thing of spending three or four billions a year without stopping unemployment can't keep up. Something more than spending money must be devised. Hopkins is a wonder at spending, but as a restorer of employment he is a flop."

The G. O. P. argument, of course, is that restoration of business confidence is the key to restoration of employment. What you say about business doubts and fears is echoed everywhere. One comment runs like this:

"If the New Deal is returned to power there's no telling what it will do next."

Are Farmers Skeptical?

YOU may have noticed that Henry Wallace threw out the suggestion that, if there is no war, returning prosperity will make it unnecessary to control agriculture. Have you heard any growling among controlled farmers that might have caused Wallace to hint of back-tracking? A friend of the Administration who went through the West and Southwest brought back the report that farm sentiment was skeptical of the soil-conservation plan.

The Wallace statement indicates that the powers that be are sitting up and taking notice of farm discontent over efforts to "control" them. By hinting that "control" will be abandoned, Wallace takes a middle place on the teeter-board. If a farm revolt should develop, he can say he was about to abandon "control" anyway. If farmers approve of the new plan for relieving them under the guise of soil-conservation, he can go ahead under the law.

So during the campaign farmers may find it difficult to get a line on Mr. Facing-both-ways.

Folk from the farm lands tell me that the farmers are angry about relief and resettlement. Payments under the new agricultural program won't get really under way until October and won't have much election effect anyway.

Meanwhile, with prices good, farmers are looking for profitable crops and they want helpers. But hands aren't to be had. Relief called by the name of "working for the Government" is too appealing.

Same with resettlement. They see a man taken from a worthless farm, put on a good one provided with stock and machines. They feel he's getting something for nothing and they don't like it. Moreover, they don't think he'll ever pay the debt he's incurred.

Business and the Weather

BUSINESS forecasting just now is a good deal like weather prophecy. The weather man will tell you in Tuesday's morning paper that it will be fair and warmer on Tuesday; he'll be a little more cautious about Wednesday, "Cloudy and perhaps rain," and he'll be absolutely silent about Thursday.

All the men with whom I talk, government folk and business visitors, agree about the immediate future. Business will continue to improve a little better than seasonally this summer. They don't expect any serious reaction in the fall. They are not afraid of the election—we've had good election years and bad ones as far back as there are records. Business was good in '72 when we elected Grant for his second term and bad in '76 when we got Hayes. Cleveland was first elected in 1884, a bad year, and elected again in 1892, a good year. What they are concerned about is the policy which Mr. Roosevelt may follow if reelected.

Negotiations on Tariffs

TARIFF is one question. President Roosevelt is pledged by his pre-election speeches to "international negotiation as the first and most desirable method" to accomplish reductions in tariff. He would consent "to reduce to some extent some of our duties in order to obtain a lowering of foreign walls that a larger surplus may be admitted from abroad."

We have seen reactions from this—the increasing of duties on Japanese cotton goods and the sharp action against German exports to the United States.

The Suits Against TVA

WHEN 19 public utilities announced that they were joining to bring a suit to test the validity of the Act creating the Tennessee Valley Authority, David Lilienthal, a director of the Authority, let out a loud cry:

"They are," said he, "ganging up on us."

"Ganging up" suggests lawlessness and dishonesty. Yet an official of the United States Government hurls the word at a group of business men because they have done no more than ask a Federal Court to tell them what their rights are.

If they didn't join in one suit, but brought 19 separate suits, then they'd be accused of trying to tie the TVA up in a "labyrinth of litigation."

The trouble with the reforming mind is that it cannot stand criticism. In effect, it says, "You mustn't criticize us, because our purposes are good."

Secretary Wallace in some of his speeches seemed to suggest that opposition to the Resettlement Administration or the AAA (when alive) was almost un-Christian.

They don't want to listen to argument. They just want you to agree with them. They're like the man Bishop McConnell told about at the recent Methodist Conference.

"The distressing thing," said he, "is no one will meet us in argument. They use epithets. I receive many letters, including one which read 'As one Methodist to another, I want to tell you that you are a first class skunk. Yours in Jesus' name.' "

Adding Up Opinions

DID you notice that in explaining why he quit the U. S. Chamber, Edward A. Filene found fault with its policy of "adding up the opinions and calling that the answer."

Seems to me that's the democratic way of doing things. What else are we going to do next November 3? I hope the majority of opinions are the same as mine, but if they're not, I'm not going to resign from the United States.

Lower Rates By Railroads

TOO soon to figure what the passenger rate reduction will do to the eastern railroads. Early reports are of a considerable immediate increase but whether that increase is profitable we shall not know for several months. The buses, of course, have a problem. The railroad day coach rate from New York to Washington is $4.55 and the buses met that by a reduction to $3.75 one way. But the railroads cut the time.

What's going to happen? Perhaps a decreased use of the private automobile for long business trips. One salesman running into New England says he expects to cover his territory oftener in the future using the day coach. The railroads may show more interest in bus feeder lines. A lot of companies employing many salesmen are going to look into this whole question of transportation anew.

Money Takes a Pay Cut

THE issuance by Standard Oil of New Jersey of bonds returning but three per cent served to call attention anew to the low rental value of money. We are accustomed to a very low rate of interest on governments and, in spite of heavy borrowings, there is no difficulty in disposing of new issues. The situation so far as government is concerned is precedented. Back in the 90's the Government was able to borrow at two per cent on long terms. Great Britain for years borrowed at two per cent; French *rentes* sold at an interest rate not much higher. Capital is plentiful and finds it hard to find employment.

Union Labor Disappointed

LABOR—using the term to mean unionized labor—is not very happy over this Congress. It wanted the Healey bill which would have forced code conditions as regards wages and hours of labor on all government contracts and on all goods entering into government contracts. They are afraid that in the end this bill and the Labor Relations Board may be tossed out by the Supreme Court. The Federation is threatening direct war on all Congressmen who delayed the Healey bill.

This question is sure to be asked: Will organized labor help itself by its outright partisanship in the coming campaign? The Lewis group of coal miners went over to the Administration, lock, stock and barrel. The Federation is not officially committed to the Democratic party but William Green has expressed his personal approval. In the past the Federation has never supported either party.

The split in the union ranks shows no signs of healing. Lewis and Green write each other politely offensive letters. There is a real feeling that, in the end, there may be two federations, not one. Watch the Tampa convention beginning with a council meeting on July 8.

Disappointed in not getting what it wants, union labor is turning to strikes. They apparently increase and may grow still further.

The Federation's attitude towards the Black-Smith antilobby bill was interesting. One of the most vigorous lobbies in Washington, they didn't want the bill unless "labor exemptions" were inserted.

William Green Sends a Wire

IF you don't think the union is an active lobby, read this wire sent by Green to a member of the House Judiciary Committee:

"Chairman Sumners advises that a meeting of the House Judiciary Committee will be held tomorrow morning 10 o'clock for the purpose of taking action upon Healey-Walsh bill. Lack of a quorum at today's meeting prevented action upon this measure. Labor is tremendously interested in this bill and firmly expects it to be enacted into law before Congress adjourns. For this reason I respectfully urge you to be present at meeting of the Judiciary Committee tomorrow morning as herein stated. Your absence from this meeting will be construed as opposition to the measure and as being unfriendly to labor. Our representative will be present at tomorrow morning's meeting. Do not fail us. Be present.

(Signed) WILLIAM GREEN
President, American Federation of Labor."

Trade Practice Conferences

WITH the passing of NRA a number of industries have turned back to the Federal Trade Commission and the Trade Practice Conference to find a way to keep such benefits as they felt they had gained under the codes. Conferences called recently include rubber tires, Douglas fir plywood, private home study schools and preserves manufacturing.

One point on which trade associations are eager for a ruling is on open price filing. There is reason to believe that the Commission will issue a rule permitting this practice.

Federal Electric Rate Making

THAT there is a turning back in government dealing with public utilities becomes more apparent with each new proposal for making electricity "cheap." A power company needs a franchise to operate in city streets and in the early days before state regulation, sharp dealing and political controversy often attended franchise bargaining between the city fathers and the power company. Usually municipal authorities placed obligations in the franchises. A common one was a specified maximum rate per kilowatt hour for electric energy.

Today, evidences of contract bargaining instead of dealing through regulation are evident. The most recent example comes from the Electric Home and Farm Authority. The aid which this new nation-wide organization has to offer in buying electric appliances is to be available only in regions where public utility rates are within limits set by the Authority.

Somewhat similar, though more indefinite rate making, is practised by the Rural Electrification Administration. This agency finances rural lines and, if a power company's rate to the farmers is not satisfactory, this agency can lend government money to build competitive generating stations. The Public Works Administration lends and grants government money to municipalities to build competing municipal plants usually where the prevailing rate, although regulated by the state, does not satisfy this federal agency. Bills now pending in Congress propose a national rate policy which would penetrate the field of intrastate rate making through sales contract requirements relating to resales.

The Constitution prohibits the federal Government from usurping the states' rate making powers but by offering its aid only to those who comply with its desires it is frequently able to dictate intrastate rate policies.

Dots and Dashes

ONLY 13 grade-crossings had been eliminated up to April 30, out of 1,200 projected. . . . Senator Ashurst proposes a constitutional amendment giving Congress power to make laws to regulate agriculture, commerce, industry and labor—but it doesn't specifically abolish the states. . . . Wagner slum-clearance bill depends, like many other things, on November election. . . . Dream of a Pan American league of nations is rudely broken by Chile's objection. . . . Tariff-makers in State department issue a statement that drought, and not trade agreements, caused big increase of imports of agricultural products. . . . Drought is over, and farm imports are rapidly increasing. . . . Representative Bacon of New York charges that there are 23 government agencies dealing with power, 15 with housing, 12 with labor disputes, 13 with agricultural loans, 15 with public works, and so on. . . .

And Unto God . . .

By WORTH M. TIPPY

Executive Secretary, Federal Council's Department of Church and Social Service



AN ANSWER to the article "Render Unto Caesar . . ." by S. Wells Utley, which appeared in Nation's Business for November

IT IS important at a time of great social tension such as the present that business and the churches shall not drift into antagonism, as they are in danger of doing. They can at least do their best to understand each other's position and functions.

Business and religion, it should be kept in mind, approach economic questions from different functional viewpoints. The attention of business is mainly fixed on the problems of research, engineering, finance and administration, although the human element is, of course, never out of sight. The attention of the church is mainly fixed upon the teaching of Christ and the effects of economic policies on human welfare, but it realizes that civilization rests upon economic foundations. Each in its field has technical knowledge and its own inescapable responsibilities.

The Federal Council recognizes the vital interest of laymen in the affairs of the churches, their rightful concern in the social effects of religious teaching, and that there is as much idealism among business men as in other social groups. Our regrets about the *Open Letter* are not its outspokenness but that pains were not taken to know more about the Federal Council. Minor inaccuracies and more serious errors of interpretation might have been avoided.

The Federal Council has never advocated "the overthrow of our American institutions," as stated in the *Open Letter,* but the correction of their evils. The charge should never have been made for what is charged has no existence in fact. The official utterances of the Federal Council have assumed that the maladjustments in our present economic system can be corrected within the fabric of our society and by the methods of democracy, if there is the will to correct them.

But I miss something deeper than accuracy and fairness in the article. Although written from the point of view of a churchman there is no sign in the article of Christ's compassion for the multitude, and no indication of awareness of the suffering about us, of the plight of the unemployed, or of the lowering of living standards which has taken place. The present distribution of wealth is defended without qualification. There is no recognition of the manifest evils of an otherwise powerful and fruitful economic system. That anybody should write such a drastic article, with such finality, in the presence of conditions which should humble the wisest man, is difficult to understand.

The author protests against preaching on economic subjects by ministers. He contends that they are incompetent to do such teaching; and, if I understand him, that they should preach "Christ and Him crucified," to the exclusion of applied ethics. The church can never accept that limitation on its teaching. It might as well close its doors. "Preaching Christ and Him crucified" may mean a spiritual experience and Christ's way of life, or it may mean preaching a system of doctrine that becomes an escape from religion.

Interpreting ethics

THE real question is not whether the church should teach economic morality but whether it is competent to do so, or can acquire competence. That leads me to ask, is it true that the church is not competent to interpret the ethics of religion to business? I do not think so. There is a distinction between competence to manage a business and understanding its moralities.

The minister is trained in the Christian ethics and in work for human welfare. He looks, or should look, at everything from the point of view of Christ's teaching and of social need. He knows from his parish visitation and his contacts with social work what are the effects of business policies upon individuals and families. He sees vividly the results of long hours, low wages, sweated trades, child labor, unemployment, economic insecurity, industrial disputes and poor housing.

Moreover, the church has at its command the technicians of industry itself among its laymen—employ-

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Restless JOHN LEWIS

By GEORGE E. SOKOLSKY



CHARLES DUNN

WHEN Big Bill Hayward led the I.W.W., he advocated One Big Union. Big Bill was called everything from an Anarchist down and we wanted to jail him for life. The poor fellow died in Soviet Russia, a sorry figure, because there he wasn't a leader of a big or small union. He was just an exile, a foreigner who had no home to go back to.

Now Big Bill Hayward's ideas are becoming popular. The conception of all industrialized labor belonging to one big union, this time headed by John Lewis, has the support of a fair share of organized labor, but more than that, it is supported by law. It is part of the gospel of the day.

Under Section 7a of the NRA, it was conceived as within the general fascistic scheme of things that all workers should belong to A. F. of L. unions. The NRA as it passed Congress makes no mention of the A. F. of L.; it limits itself to a recognition of the fundamental principle of collective bargaining. But, as the NRA took form, it was inevitable that the balances between capital and labor, indicated in the Act, should lead to a fascistic administrative set-up. If the employers were organized into associations and institutes, labor had to be organized into unions. And, as the American Federation of Labor was the only organized political agency for workers in Washington, it alone immediately stepped into the position of representing labor.

The Administration recognized it as the articulate, the vocal, organ of labor. No questions were asked as to the *bona fides* of its claims. No attempt was made to check its assertions as to membership. It was sufficient that it claimed to represent labor. The Government accepted its word for it.

The workers didn't join

BUT not the American worker. In the principal American industries—steel, automobiles, rubber, electrical equipment, and many others—the worker resisted the idea that any one organization could speak for the total labor population of the country. When "company unions" and employee representation plans were organized, or where they already existed, a preponderant element of the workers stuck by their employers.

The success of the NRA as a government project and of the American Federation of Labor as the sole spokesman of labor depended on factual, visible evidence of the willingness of workers in heretofore unorganized industries to accept and abide by the new dispensation. Organizational drives were launched in the leading industries with the tacit consent of the Administration. Workers were told that they would never get jobs if they did not have a card in an American Federation of Labor union.

Long before the Supreme Court rid the country of the NRA, these organizational drives had failed. In steel, automobiles, rubber—in nearly every important branch of manufacturing—they had failed. It became evident that the American Federation of Labor could succeed among unemployed workers and in the marginal trades, where working conditions are really unsatisfactory, and that it would fail in the major industries where working conditions are satisfactory. The results in the elections for employee representatives in the automobile industry clearly proved that, under the precise protections for the uninfluenced rights of labor adopted by the Automobile Labor Board, the worker, by more than 80 per cent, opposed representation by a national organi-

zation. The utter inability to organize the steel industry during the depression confirms the evidence.

The Wagner Act was passed as a substitute for the NRA. It was frankly John Lewis' bill. Other labor leaders feared it and accepted it only as part of their association with the Roosevelt Administration. Their misgivings were as real as those of the so-called unorganized workers, and were founded upon the very real fear that American labor has always had of government control. American unions have feared charters, incorporation, government inspection of accounts, even government labor registries, because they feared that these would result inevitably in government control of the worker.

A risk for the unions

JOHN LEWIS does not fear that, as long as it is possible for him to assume that he can become the agency of such a government control. But other labor leaders are not so sure that the benefits are worth the risk. They are distressed by the close alliance between themselves and one political party. They wonder what may happen to them and to their movement if that one political party should be defeated at the polls. They are not so sure as John Lewis seems to be that their endorsement of a candidate will guarantee his election.

They, therefore, cannot wholeheartedly accept the leadership of John Lewis. And, although they give tacit support to the Wagner Act, they are not so certain that they like the authority vested in the National Labor Relations Board set up by the Act to determine the form of labor organization which shall govern industry. For the Board has that right although, in the aluminum case, it gently dodged it. It has that right by virtue of the authority vested in it to determine which unit of industry shall be utilized for collective bargaining, and by virtue of its right to decide which is the majority of workers in an industry.

This gives to the Board an authority over jurisdictional rows within the American Federation of Labor which old-line leaders prefer to retain rather than to hand over to the Government. For instance, the Board can decide that, in an automobile factory, employee representation shall be by crafts or by the total force employed by the company. For under this Act,

> The Board shall decide in each case whether, in order to ensure to employees the full benefit of their right to self-organization and to collective bargaining, and otherwise to effectuate the policies of this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, plant unit, or any subdivision thereof.

For many years, it has been clear that craft unionism is unsuitable for mass production industries. On the other hand, political and personal power in the American labor movement has been organized and retained on a craft basis. The rich and strong so-called international unions or brotherhoods wield jurisdiction over particular fractions of industry and, although several craft unions may reach understandings, as, for instance, in the theatrical trade, each craft organization is distinct and autonomous.

The American Federation of Labor is at best, under its constitution, a loose association of these autonomous bodies. Its executive council consists of their chiefs and, although the Federation speaks with pronounced authority outside the labor movement, it is the craft unions which exercise authority in it. This broadly describes the horizontal unionism which the American Federation of Labor represents.

When John Lewis found that his colleagues in control of craft unions would not follow his political lead, he seized upon the issue that this form of unionism is bad business in mass production industries. And he is right. It is absurd to have a dozen or more different unions competing for power in a single plant. It is distressing to management, and it often defeats the ends of organized labor. Lewis accepted the doctrine of one union for one industry. In a word, he advocated vertical unionism.

If this were something altogether new, John Lewis might be regarded as a labor philosopher, and William Green as a labor Bourbon. As a matter of fact, the American Federation of Labor had already noted the trend of the times, and had organized federal unions on a vertical basis. It is true that such unions are in jurisdictional conflict with existent craft unions in some industries, but in others they are quite on solid ground. The union which conducted the Kohler strike was such a federal union.

The issue realistically is not between horizontal and vertical unionism. Labor today is torn in a battle between John Lewis and the principal old-line craft leaders for control of the American Federation of Labor. It is a battle for power. This battle takes on special characteristics, because of the Wagner Act and the existence of the National Labor Relations Board. Because, if John Lewis can control that Board and it will accept *his* units of industry as suitable for collective bargaining, the other leaders are completely out of the picture and the craft unions become as outlawed as the A. F. of L. would outlaw company unions and employee representation plans.

Not labor but politics

HERE then is not a labor row *per se* but a political row, and the test of effectiveness is who controls the Government. If the National Labor Relations Board side-steps the issue permanently, then it is obvious that it has ceased to function under the law. It may, before a presidential election, refuse to utilize the full authority which it enjoys under the Act, but eventually it must make a decision in a jurisdictional quarrel within the labor movement or stand confessed as being an instrument solely for the annoyance of the employer. For it cannot accept authority in union versus union cases when the Act specifically instructs it to accept authority in both instances.

And, as long as the Wagner Act stands and this Board functions, John Lewis and the craft leaders will have to struggle against each other to control decisions concerning which units of employment are to be recognized. If the Board accepts vertical unionism, John Lewis becomes a Czar. If the Board rejects vertical unionism where there is a prior craft organization, then John Lewis is defeated.

Here Lewis occupies a strategic position. At present, he represents three important industries, the miners, the needle-workers and the typographical workers. All other organized workers, craft or vertical unions, belong to the A. F. of L. and follow the leadership of the craft leaders. And it is obvious that John Lewis can make little headway against the wealth and power of the old leaders in their own fields. So he turns to green pastures.

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AFTER reading Mr. Sokolsky's article, turn to that by Lawrence Stafford on the next page. Discussing the labor situation from a different angle, he gives details on several points which Mr. Sokolsky mentions only briefly

The Ghost of Section 7a

By LAWRENCE STAFFORD

CONCEIVED with the avowed purpose of promoting industrial peace, the National Labor Relations Act has frequently had exactly the opposite effect. Here are some of the reasons why employers are having difficulties because of this Act



Uncertainty as to the federal labor policy will continue until the National Labor Relations Act comes before the Supreme Court

IN A tranquil southern community a local cotton mill was operating with an abundance of work ahead for its several hundred employees. That was early in 1934. In April of that year some organizers for a national textile labor union came to the factory.

They were not denied admission. They entered, and organized a local unit of a national textile labor union. Everything continued peacefully until September, 1934. At that time, some individuals at national headquarters of the labor union, unknown in this quiet mill town, ordered all cotton textile workers to strike.

Workmen at the mill in this southern community quit their jobs, although they had no very clear idea why. The mill, which was their living and the center of the community life, shut down for virtually a month. Hardly a bolt of cotton was shipped from it while the strike was on.

Afterward, the manager of the mill decided he wanted no more to do with an organization which could come in and bring the operation of his plant and the life of his community to a dead stop for no reason connected with local conditions or the wishes of his own employees.

The manager fired the officers of that union which had brought so much lost work and business to himself and employees. Later, two of the employees decided that they wanted to form their own local union, unrelated to a remote and unsympathetic national union. They formed a "friendship association" in their plant.

This association gave every hope of bringing about harmonious relations between employees and employer. The latter welcomed it. He encouraged its foundation, an action which a federal government agency, known as the National Labor Relations Board, thought reflected a very strange attitude.

Issuing a formal series of "orders," the Board refused to allow the employer to have anything to do with the friendship association. The Board directed the employer to follow a policy which effectually would force him to call back into his plant the outside organization which had caused him and his employees so much trouble. He was further ordered to restore jobs to a minority of union employees who had repeatedly refused efforts to cooperate with the employer. He was also ordered to make up the pay they lost while out of jobs. This was brought about under the National Labor Relations Act. Hundreds of other employers are having the same difficulties because of this Act.

Like a shoot from a dying tree, Section 7a, the collective bargaining provision of the National Industrial Recovery Act, was clipped off and graft-

ed on to what were intended to be firm roots. Through the process, Congress and the Administration hoped to plant firmly a federal policy toward collective bargaining. Thus was enacted, nearly a year ago, the National Labor Relations Act.

Included in the new Act is the fundamental idea of 7a. That is that employees shall have the right to bargain collectively, and that, to protect that right, they shall be free from employer interference in organizing their union or selecting their representatives for purposes of collective bargaining.

There is considerably more to the new Act, however. In a word, it makes sweeping definitions of so-called "unfair labor practices," which make the employer who adopts them subject to punishment.

One of these is intended to place upon management the broad obligation to bargain collectively, and to be receptive to the demands of the representatives of its employees. Failure to bargain is also punishable.

Moreover, the National Labor Relations Board, administrative agency of the Act, may designate the appropriate unit for purposes of collective bargaining. That unit may be the craft or industrial union, or plant unit. In determining what unit represents the majority of employees, the Board may conduct investigations and hold elections. Employers must deal with the unit certified by the Board as representing the majority of the employees, and with no other group.

An FTC in labor relations

THE new roots of the 7a idea are the enforcement methods. Whenever the National Labor Relations Board determines that the employer has engaged in an unfair labor practice—refused to bargain collectively, dominated a union, dismissed employees for union affiliation, and so on—the Board may order the employer to stop the unfair practice. If he persists in the alleged violation, the Board will ask a federal court to restrain his actions and punish him for contempt of court if he does not comply.

This is analogous to the procedure which the Federal Trade Commission uses in enforcing violations against the Federal Trade Commission Act. It has been tried for years under that Act and found not only constitutional, but workable. The success of the method led to its being copied in the Labor Relations Act.

When President Roosevelt signed the Act, he declared that "it does not cover all industry and labor, but is applicable only when violation of the legal right of independent self-organization would burden or obstruct interstate commerce."

A similar assurance to business men that the Act would not be applied recklessly to business, whether interstate or otherwise, was given at the outset by the Board's chairman, J. Warren Madden. In a radio address September 1, 1935, Mr. Madden said:

> The Board's powers are expressly limited to the prevention of unfair labor practices "affecting commerce," and "commerce" is expressly defined as interstate or foreign commerce, except as to territories and the District of Columbia.
>
> The consequence of these limitations set by the Constitution upon the powers of Congress, and by the terms of the Act itself, is that the powers of the Board will not apply to a number of situations where there are unfair labor practices but where those practices do not affect or tend to create a situation which will affect the free flow of commerce. The question of defining this boundary which marks the limits of federal power has always been a difficult one for Congress and the courts, but its answer in any case is dependent upon a combination of historical fact, precedents, and practical considerations of the situation.

The first two cases launched by the Board were directed against trans-

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Contradictions between declared purposes and practices naturally confuse business men as to the true purposes of the act and the obligations imposed upon them

When Business Men Disagree

By LUCIUS R. EASTMAN

President, American Arbitration Association



A continuous effort has been carried on to simplify and standardize arbitration procedure

LOUD cries of agony interrupted the brisk buzz of trade in a metropolitan department store. Floor walkers, clerks and curious customers converged on the kitchenware department where the disturbance seemed to originate. There they found a startled gentleman with his hand caught in a rat trap.

As a solicitous department manager removed the painful appendage, the gentleman explained that he had been examining the rat trap display when he had unexpectedly blundered into one which somebody, through carelessness or malicious humor, had left set.

As a demonstration of the trap's efficiency, the result was impressive, but as a manifestation of commercial hospitality it left much to be desired. The gentleman wrapped a handkerchief around his mangled fingers and went to see a lawyer.

The lawyer filed a suit, but since there seemed no point in having the action bandied about the courts, both sides agreed to submit the case to arbitration.

A few years ago the advisability of such a step would have been doubtful, but today the procedure of arbitration is pretty definitely established and decisions handed down by arbitration tribunals are legally enforceable.

Because of this, business men are turning more and more to this means of settling disputes. The method has several advantages. It is quick, convenient and confidential. For this last reason especially, intricate questions of damages, where the reputation of a service or product would be impaired by publicity, are frequently referred to arbitrators rather than to the courts.

THE first arbitration tribunal was set up in this country before the Revolutionary War. Only in recent years, however, has this method of settling disputes been generally adopted

Such a case grew out of a dispute between a woolen mill and a manufacturer of overcoats. The manufacturer claimed that material purchased from the mill was defective and demanded that the mill take back the unused merchandise and allow him a sum to cover damages suffered because of the return of garments already made.

The mill denied that the material was defective. It blamed the returns on improper tailoring.

Obviously had this case been tried in open court the reputation of one party—maybe both—was bound to suffer.

The need for arbitration facilities to handle such disputes has long been recognized. In fact, arbitration tribunals to settle particular business problems were set up in this country before the Revolutionary War. One of the first, established in New York City by the Chamber of Commerce (now the Chamber of Commerce of the State of New York) has served continuously since 1768. Twenty years later the Chamber of Commerce of New Haven organized a similar service and, in 1817, the New York Stock Exchange did likewise.

The New York Produce Exchange, the New Orleans Cotton Exchange and the Silk Association of America were others who early provided arbitration facilities for their members.

Not enforceable

TRADE associations saw the need for arbitration, too, but, until 1920, no great headway was made.

The difficulty was that no state or federal statute made an arbitration agreement enforceable.

This was remedied, in New York, at least, by the passage of a state law which made an agreement to arbitrate a future dispute legally enforceable and empowered the courts to appoint arbitrators and to stay an action until arbitration had been held. Within a few years, similar laws were passed in New Jersey, Oregon and Massachusetts.

The United States Arbitration Law was passed in 1925.

Since then, Arizona, California, Connecticut, Louisiana, New Hampshire, Ohio, Pennsylvania, Rhode Island and Wisconsin have established a sound legal foundation under arbitration which makes it available to anybody who wants to use it. Practically all the states have laws providing that arbitration agreements

made after the dispute has arisen may be enforced.

This spread has been fostered and encouraged by the American Arbitration Association. This organization, this year celebrating its tenth anniversary, has carried on a continuous effort, not only to educate the public to the advantages of arbitration but to simplify and standardize the procedure of arbitration hearings.

It enjoys the distinction of having issued the first code of arbitration practice and procedure in the world and has helped in drafting uniform arbitration laws.

The Arbitration Committee of the Association also appoints and maintains panels of arbitrators called the American Arbitration Tribunal. The national panel includes some 7,000 men so distributed throughout the country as to give service in 1,600 cities. These men represent different callings and are available on request. They serve without compensation and are competent to decide questions in either a general or particular field of controversy. The national panel is supplemented by special panels made up of experts to act in particular fields. Special panels which serve industrial groups are attached to their particular group and are not ordinarily on call for general service. They may receive compensation according to the practice established by the industrial group to which they belong.

The custom is, of course, to select arbitrators who know the field in which the controversy arises. This is not always easy. The Tribunal was recently called upon, for instance, to arbitrate a dispute in which the quality of a shipment of ivory nuts was questioned. Examination of the panel of arbitrators failed to unearth a single man who had more than a remote knowledge of ivory nuts.

The marketing of the product was immediately checked and a list of men who handled it was added to the panel. From this list the parties selected arbitrators to hear their case.

The ivory nut, incidentally, is a very hard species from which buttons are manufactured.

In addition to supplying arbitrators, the Arbitration Committee also provides a hearing room and a clerk who facilitates the proceedings in any way that the arbitrators require.

With the machinery thus ready and waiting, the parties to a dispute find their course remarkably simple. They have only to make the request for arbitration, pass upon the persons proposed as arbitrators, agree to the place and date of hearing and produce their evidence or witnesses. They may, if they desire, even amend the procedure of arbitration to meet special conditions, provided their changes do not violate the arbitration law under which the hearing is held. Costs are standardized.

Much time is saved

THIS simplified procedure makes for speed, which is frequently essential if one or both parties to a dispute is to avoid serious loss. Speed, for instance, was imperative in a recent disagreement between a New York firm and a Chinese manufacturer. The New York concern had purchased, through the manufacturer's New York agent, a quantity of baku hats. The shipment was delivered at the height of the selling season, but a controversy arose as to the quality. The importer maintained that the hats did not meet the specifications of the contract.

It was apparent that, unless an agreement was reached at once, the hats, whatever their quality, would be no good to anybody.

The disputants applied to the American Arbitration Association for arbitration under its rules. A hearing was arranged, held the next day and the award was immediately handed down.

In this particular case, a part of the goods was found to be defective and an allowance was made to the importer who was still able to offer the hats to the spring trade when their market value was the greatest. However, arbitration does not always mean an adjustment. In spite of the fact that the word is frequently con-

(Continued on page 76)

From a Business Man's Scratch Pad . . . No. 3





"Our job is to prove something—anything—so long as it is unfavorable"

It Will Be Used Against You

By PAUL McCREA

IN which it is demonstrated that investigators who are given enough rope can hang everybody. Of course, the story is fictitious but the methods employed have been proved to be most effective

SENATOR PURPLE obtained the floor:

"It is my purpose," he said, "to call to the attention of the members of this house a grave omission. As every gentleman here knows, an energetic committee of this Senate has been investigating the practices of lobbyists. I wish to commend that committee. It has proved everything it set out to prove. It has made publicity for its members and headlines for the newspapers. It has spared no effort to show that corruption existed everywhere. It has shown that lobbyists have used bribes and influence to control the legislation of this chamber. It has been a good show.



The committee looked gleefully at the newspaper headlines

"But, unhappily, that show is ended—and it has ended, gentlemen, before its work was done.

"So, gentlemen, I wish to present a resolution providing a sum of money for the support of a similar committee to carry on where this one left off. That committee, gentlemen, shall be made up of business men and it shall be authorized to call before it members of this house. It shall have all the powers of the previous committee to subpoena books, records and documents and to compel the attendance of witnesses.

"After all, gentlemen, if bribes were given and influence used to further legislation in this house, somebody must have taken those bribes and yielded to that influence. It shall be the purpose of this investigation which I propose to find out who those people were. The public has a right to know."

Unexpectedly, the resolution was adopted and the President of the Senate appointed The Purple Committee.

CHAIRMAN Apponal, chairman of the board of Apponal, Apponal and Apponal, called the committee to order.

"Here we are, gentlemen," he said. "We have a job to do and our first step, of course, is to determine how we shall do it. Frankly, I know very little about these matters."

"Well," said Joe Balge, committeeman from the Middlewest where he ran a department store, "let's get Senator Migrain in here. I want to ask him how come we don't get a post office at Tucker's Corners."

"That hardly seems the way to begin," said Chairman Apponal.

"It's not," said Committeeman Corsot from the South. "What we want to know is why a guy who doesn't know a boll weevil from a hay fork votes against a cotton bill he couldn't get through his head if you drove it in with a maul."

"Gentlemen, gentlemen," said Committeeman Dash from New England, "this is hardly fair. As I see it our purpose is to find out if influence was used and if so by whom."

"Not *by* whom," the chairman said. "*On* whom. There is nothing in the enabling resolution authorizing us to determine who exercised influence."

"How are you going to find out who took a bribe if you don't find out who gave it to him?"

"I don't know," the Chairman said, "but the previous committee had no trouble finding out who gave them without finding out who took them."

"If you don't mind—" said the fifth committeeman. He stood up.

"Mr. Chairman—"

"Mr. ——"

"Eggle, is the name. I'm a newspaper man. I don't know why I was put on this committee, but it doesn't really matter. I have some knowledge of how these things are done that may be useful to the committee. In the first place we need publicity. We have to attract attention—make headlines. So I would suggest, since we have the power of subpoena, the first thing we do is to seize the files of half a dozen senators. One of them should be Senator Blot, the names of the others you can pull out of a hat, if you want to.—"



"Remember, they want sensations. Don't disappoint them."

"But why Senator Blot? Good Lord, everybody knows he's honest."

"That's the idea. Seizing his files will attract attention. Headlines: PROBERS SEIZE BLOT FILES."

"It hardly seems fair—"

"Being fair is no part of the job of this committee. We are trying to prove something—anything—so long as it's unfavorable. After we get Blot's files we'll read 'em. Then we'll get him in here and ask questions—"

"Suppose there is nothing to ask questions about?"

"There will be. There'll be letters from constituents. We'll find a letter urging him to vote for a bill that he finally voted for. Then we'll ask him why he voted for it."

"What good will that do?"

"Let me impress upon this committee that we aren't trying to do good. We're spending the people's money to put on this investigation and all the people get out of it is sensations. We've got to give them sensations. Besides that we've got a chance here to make reputations for ourselves. Let's don't overlook that."

"I begin to see our duty in a clearer light," the Chairman said. "What do we do next?"

"Well, we must time our questions to catch the home editions of the newspapers. Most of the afternoon home editions go to press at 1:30. We must always have a thriller for that.

"Suppose, for instance, we have Blot on the stand. We're watching the clock. At 1:20 I ask Blot: 'What did you get for Christmas?' He won't know—no man ever remembers what he got for Christmas. He'll hesitate. 'Hah,' I'll say, 'you refuse to answer.' And the Chairman will immediately take a recess. Can't you see the headlines: 'Blot Mum on Gift Quiz.' Tomorrow he'll get out a statement—but it will get tucked away on the bottom of the woman's page."

"I think," the Chairman said, "that we might get out some subpoenas."

A COUPLE of trucks backed up to committee headquarters and sweating laborers grunted carrying in file cases. A mountain of miscellaneous papers grew in the corner.

"Well, here it is," said Committeeman Eggle. "Let's see if we can find what we're looking for."

Committeeman Dash looked at the pile hopelessly.

"Just what are we looking for?"

"Anything that looks hard to explain. Let's get going."

"How will we know where to start?"

"Start anywhere. I'll take these folders marked 'C'. You pick the M's just for luck. Everybody else pick a letter—but be sure you get Blot's files."

"Why not start on Senator Burkelkasowitz?" Committeeman Corsot suggested. "I'd love to get something on that bird."

"Lay off him, at least for now. His name's too long to fit in headlines."

The Committeemen rooted through the pile, dragging out folders. They distributed themselves around the tables. For awhile there was silence.

"I feel like a ghoul," Committeeman Dash said finally.

"Cheer up," grinned Chairman Apponal, "think of Blot. He feels worse than you do."

"IT SAYS here," Committeeman Balge contributed, "that the Senator's wife was pretty sick last winter from eating shrimp."

Committeeman Corsot grinned.

"Bet the Senator voted against the fisheries bill after that," he said.

"That's an idea," said Eggle, "We'll make a note to check that."

"I've got his rent receipts here," Apponal said. "He pays $200 a month for that house."

"He's getting gypped."

"What does he want with such a big house anyhow?"

"I guess he saves money on food," Corsot said. "The grocery bills sure look it. I'd starve to death."

"Here's a letter," said Dash hopefully, "that begins, 'You sweet old thing'."

"Oh-oh!"

Four heads were raised expectantly.

"It's from his daughter."

"Oh-h."

"She's going to have a baby."

"That so? When?"

"It doesn't say. But maybe there's a later letter. This was written—oh, hell, it was written last year."

"She's had the baby then."

Dash fumbled through the files.

"Yes, she has. Last June. Apparently the Senator's wife went home to be with her. Here's a letter telling all about it. It says:

Dear Dan: Mary and the new grandson came home from the hospital yesterday. Both are doing so well that I am planning to start back to Washington Thursday. I have done as you wished and have paid the doctor and the hospital bills. Both were more than I expected, but I suppose one cannot hire specialists without paying for it. I agree with you that it was the thing to do. Bob is a fine young man and working hard, but there seems little chance for advancement here. I wish you might make a place for him in your law office. I am sure he could make good.



"That's what we're looking for. We can crucify him with that."

I got your letter and am glad to know that you have not been lonesome. It was fine of our friends to take care of you in my absence.

Ethel

Eggle listened intently. As Dash finished reading, he pounded the table.

"That's it," he said. "That's what we're looking for. Boy, can we crucify Blot with that!"

Dash looked puzzled.

"As far as I can see," he said, "it's just a man's letter from his wife. It's actually none of our business."

"Our business," Eggle said, "is to make a sensation. And we've got something there."

"Then," said Chairman Apponal, "we're ready to call our first witness."

"Not yet," Eggle said. "We need a build up. We don't want to open this thing cold. We'll call a press conference for this afternoon and you can talk to the reporters."

"What have I got to say to reporters?"

"Plenty. I'll write it down for you."

CHAIRMAN Apponal cleared his throat impressively. He looked at the assembled newspaper men.

"Gentlemen," he said, "as you know, my committee has been collecting evidence preparatory to determining which, if any, senators have yielded to undue influence in supporting certain legislation. We are now ready to open hearings and Senator Blot has been called as the first witness."

"You haven't got anything on old Blot, have you?"

"That is hardly a fair question, gentlemen. You understand that we shall bring no charges until the Senator has an opportunity to defend himself. I may say, however, that we expect to ask the Senator to explain certain things which seem to us to be irregular. And we have considerable evidence which we shall make public at the proper time."

"What kind of evidence?"

"Again you cannot expect me to answer that question beyond saying that this committee has in its hands a great deal of material which we shall produce whenever it seems necessary to do so in order to keep up—that is—to *protect* the public interest."

"You did a good job," Eggle said when the newspaper men were gone. "That interview was nicely timed to give the morning papers a break. Now if a ship just doesn't sink or something you'll get a good play on the front pages. We ought to start out with a capacity audience tomorrow."

NO ships sank and the Committee, gathering early for the first day's hearing, looked gleefully at the headlines:

One banner: THRILLS LOOM IN SENATE PROBE

One two column spread: BUSINESS GROUP TO GRILL BLOT

Several single column heads, of which the Committee's favorite was:

HONEST BLOT
MUST EXPLAIN
SHADY DEALS

An eager crowd was waiting when Chairman Apponal pounded the hearing to order and summoned Senator Blot to the witness chair.

"They want sensations," Eggle whispered. "Don't let them down."

Senator Blot was a small man; gray-haired, a little wrinkled as to face and clothing. He put his elbows on the arms of the chair and leaned forward.

"He looks like a Christian patriarch about to be fed to the lions," Dash whispered to Corsot, who sat on his left.

The witness was duly sworn.

"Now, Senator," said Chairman Apponal, "you know, of course, the work this committee is doing. You will understand, too, that there is nothing personal in this inquiry. We have a job to do and we are doing it in the way that seems to us best."

"I shall be glad to help you," the Senator said.

"You can help us best by just answering our questions as briefly as you can."

The Senator nodded.

"Now, Senator, some months ago—last June, to be exact—didn't you have considerable unusual expense. Doctor bills and that sort of thing?"

"Yes, I did."

"And, Senator, you paid those bills in cash?"

"In cash. Yes."

"Senator, where did you get that money?"

"Why, I had it. I took it out of the bank—"

"How did you get it in the bank?"

"I put it there, deposited it. I walked up to the window—"

"You do not need to explain banking practice to this committee. And evading the question will gain you nothing. Where did you get the money you put in the bank?"

"Why, from various places—"

"Oh, yes? And what are these various places?"

"Why, I have my salary as a Senator and I am a member of a law firm which, although I am no longer active, still pays me a little income. I have a few investments."

"None of that money was bribes, was it, Senator?"



"Since you are known as the Honest Senator, tell the committee this: Have you quit taking bribes? Answer yes or no."

"Of course not."

"Senator, I have here a letter. It is your letter, isn't it?"

"Yes, that is my letter."

"Senator, this letter mentions the fact that your son-in-law is not doing well financially—"

"I do not see that that is—"

"Quiet, please, Senator—and suggests that you might make a place for him. You remember getting that letter?"

"I remember getting it and—"

"And did you ever try to make a place for him?"

"Yes, I tried—"

"You admit you tried to get a job for him with the government—"

"I did not say—"

"You attempted to put him on the public pay roll when you learned he could not support himself in private in-

(Continued on page 72)



ILLUSTRATIONS BY CHARLES DUNN

Placed in an easy-going valley of the Green Mountains, Williamsville is an old town

The Iron Whim of the Customer

By CHARLES MORROW WILSON

SOME shrewd observations concerning business and life and people submitted by a man who, from the vantage point of a crossroads store, has devoted his life to finding out what are the things people want and why they happen to want them just when they do

"I WONDER if you have a second-hand pulpit for sale."

Hastings Williams, storekeeper of Williamsville, Vt., scraped his jaw in deep study. "If you don't mind following me to the attic, I believe, sir, that I can fix you up."

Dumbfounded, even dumbstricken, the customer followed him to the attic. There, amid stray turns and fringes of merchandise accumulated over more than a century, the merchant of a Yankee crossroads produced a pulpit of the ancient "barrel-head" type, unquestionably second-hand, for its baseboards were roughened by the scraping of exhortive feet and the round hand-whittled railings were worn smooth with the grasp of past generations of exhorting hands.

The customer looked at it, bulgy-eyed, gulping. He had no real need for any kind of a pulpit. He was a travelling salesman. The day before another travelling salesman had offered him a sporting bet that he couldn't think of any article usable by a rural public, that Hastings A. Williams, senior merchant of Williamsville, Vt., did not or had not recently carried in stock.

Thinking of a second-hand pulpit had required long hours of soul-trying concentration and the best part of a wakeful night. Now the wager was lost and the baffled drummer was faced with possession of another item which he couldn't use.

Learning prior details, Hastings Williams smiled and took back the pulpit. He has spent a long lifetime keeping a crossroads store and during all the time he has abided by a family tradition that Williams' store never sells unneeded goods, or goods unwillingly purchased.

Placed in an easy-going valley of the lower range of Green Mountains, Williamsville is an old town. Local histories of a century ago describe it as a well finished town of nearly 1,000 people. The town is still pretty well finished, but now its population has sunk to less than 100.

William H. Williams, great-grandfather of the present proprietor, built the store back in 1828. Unquestionably Bill Williams was a man of enterprise. He came to the Vermont hills from Massachusetts as a "bound boy" or servant apprentice to the proprietor of a frontier wool and carding mill. Not a hundred yards from Wil-

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Speed comes naturally and without effort on the Burroughs short-cut keyboard. ❶ Because all ciphers print automatically—thus saving approximately one-third of the work. ❷ Because only one motion is required to add, to subtract, or take a total—thus eliminating needless motions. ❸ Because often two or more keys may be depressed at one time—thus writing the entire amount in one operation. These and other advantages of Burroughs short-cut keyboard are described and illustrated in an interesting new booklet. For your copy, telephone your local Burroughs office or write direct.

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liams' store runs a pell-mell rivulet. In the rock-littered bed of the stream one sees the remains of a dam wall, built of heavy granite and raised by the frontier wool miller.

Dyeing local wool

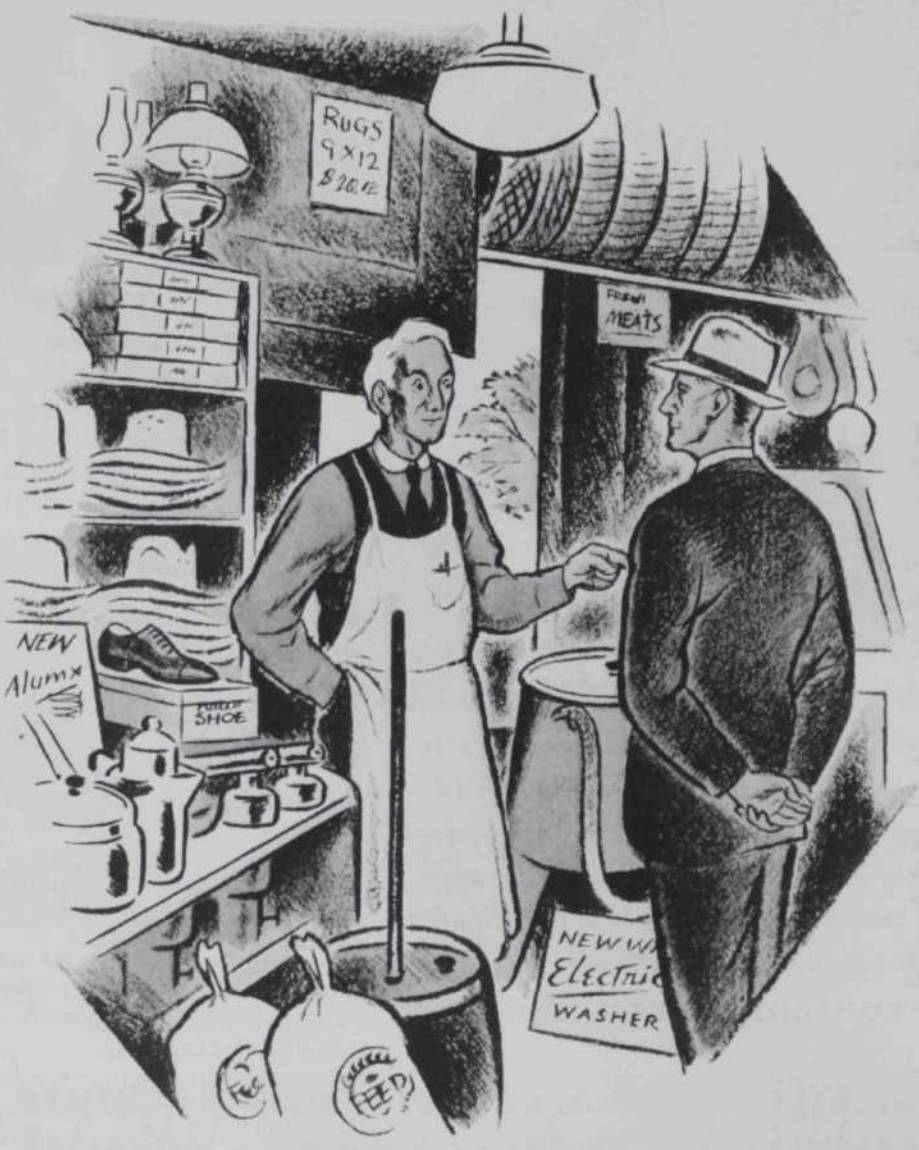
BILL WILLIAMS was a valuable apprentice for any woolen mill of 1819. The boy knew how to dye scarlet. In those days durable red dyes were scarce, and therefore red cloths were valuable. The bound boy worked hard, saved scant wages. For a time the wool mill prospered. Pioneers brought sheep and green hills gave plentiful pasture. Home-shorn wool came to the mill to be "carded" into bedding goods, into rough cloth—"linseys" or "jeans," for plain yeoman's dress.

Then business came to lag. Money panics invaded the hill country. The wool miller declined to lower rates. When trade became still more feeble he pulled stakes, headed for the more bounteous West—New York State. Young Bill Williams bought the mill, lowered rates, bettered dyes, became a free agent. Trade revived. The boy miller began to expand. In the same log house he installed a grist mill, also operated by water power, made it a center for grinding home-raised corn and wheat—substituting wheels and querns for woman's work of turning hand mills, or wielding corn mauls. Bill's great-grandson, brother of Hastings Williams, the storekeeper, still keeps the grist mill, still earns a living from its enterprise.

Bill Williams hired a bound boy, opened a potash mill. In those days "potashes" were a foremost crop of timbered frontiers. Clearing fields, settlers burned logs and brush, scooped up the ashes and charcoal, loaded them in oxcarts, hauled them to the mill. For an ordinary cartload of ashes or char, Bill Williams paid a dime. For a big load he sometimes paid as much as a quarter. He put the ashes in hoppers, treated them with slow drippage of water carried by wooden pipes from the little river. From the ashes came a seepage of red lye or "potashes" which, properly barrelled, was salable to the newly-risen soap factories in nearby towns. In those days factory soap was a booming trade, a rich man's luxury, and the life of the trade gave life to local potash mills.

Possessed of a potash mill, a grist mill and a wool mill, Bill Williams prospered from three-fold dexterity. About his mills a village was born, a village named Williamsville. Bill hired still another bound boy, recruited a force of farm workmen, began building a store. It was seven years building. It has stood for more than a century. Storm and fire allowing, the old house will probably stand for another century, maybe two or three.

Ancient clapboards cling tightly to a framework of hand-hewn oaken beams, all of a foot square, placed methodically four feet apart, spiked with six-inch wooden pins, raised by a lost generation of craftsmen. The result is a strong and rugged architecture that lasts even as nations of men die, even as brick is replaced with steel and stone, even as minor skyscrapers must be wrecked to make way for major skyscrapers. Hastings Williams is proud of his store building. Firm, modest, and secure, it remains the home of a store that is also firm, modest, and secure. Like the building itself, the store offers placid defiance to fire, bankruptcy, lifespans of men, changing appetites of buying public.



I'm not sure the crossroads store is permanent, but I believe it is about as permanent as any business

Life of a merchant

HASTINGS WILLIAMS is proud to keep shop in such a building. He has reached an age at which most men think more of yesterday than today or tomorrow. Although his hair has turned almost white, he is still slender and youthful of movement. His well shaped, sensitive face is somewhat wrinkled with the wear of many years. He concedes that he cherishes yesterdays. Further, that his store is his life. He "took it over" as a boy of 19.

In his 'teens he went away to be educated at Goddard's Seminary, up at the town of Barre, Vt. On graduation night a famous clergyman came all the way from Springfield, Mass. to deliver the baccalaureate. His name was Richard Cornwall. "Brother Dick" arose and delivered his address entitled "Acres of Diamonds." Hastings Williams listened, considering it the greatest speech he had ever heard. He still considers it so.

The parson declared that youth need not wander afar to live a rich and useful life; that acres of diamonds are more likely to lie in one's own backyard, or at one's own doorway, than in the vast cities, or on far-away continents.

Hastings heeded these words. He

Many a Husband faces this Problem



YOU can read his thoughts as he looks at the family photograph on his desk—"What would become of them if anything happened to me? How would they get the things that I intend they should have?"

Perhaps you are facing the same problem. There is a way to make certain that your wife will have the money she needs to see the children through until they are grown. You can remove doubt and uncertainty as to their future. And you can also provide for your own later years, if you live to retirement age.

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LEROY A. LINCOLN
President

still estimates that they are the deciding point of his life. He went back to the village of Williamsville, took over the store. He has kept store all his life. He has found it a bountiful life—money and goods sufficient to fill a plain man's needs; unending caravans of friendships, comedy, tragedy and commerce of a plain and abiding country people; a cake of soap and a pound of lard; a can of coffee and a turn of meal; favors to ask and grant; service to the sick and the distressed; donations to church, township charities, home-talent theatricals and socials; gratis service to local government and clubs—audit the town's books, help supply a "shower" of groceries for the new and poor parson, be a township selectman (without pay); give help at times of accident, sickness, death; pay the fiddler and supply resin for the fiddle strings.

Both play and work

THAT'S storekeeping. And Hastings Williams likes it. It is his life, his play, his work. It's a business of having and holding. In terms of comparative incomes he is free to admit that he never had a great deal. But he affirms that he has held plenty.

He has held squawling babies, old men overtaken by death while lounging in the store's loafers' chairs. He has held runaway horses, uncashable checks, uncollectable accounts, goods personally ordered but never purchased, valid merchandise left forsaken by shifting sands and whims. He has held confidences by unadded hundreds and thousands, knowledge of poverty, scandal, tribulations, sin, repentance and hope. He has watched rich men become poor and poor men become rich. Time and again he has watched spring rains and warming winds blow the breath of life into woodlands and fields and fertile valleys. Time and again he has provided seed and tools and credit for crop-planting; watched the harvests, helped barter and otherwise trade growth of fields for the goods of a vast and turbulent world. That is crossroads merchandising.

The entire ground floor of the old building is in store space, well heated by a vast monkeystove, well windowed, and clean. Hastings Williams confesses that he is something of a bug about cleanliness. In a lifetime of storekeeping, he has never failed to sweep and dust before a morning's opening. In occasional interludes of sickness, accident or bereavement he has always had a clerk or helper perform the early-morning tidying.

Yet he classes immaculate cleanliness as one of his few extravagances. As an experienced merchant he knows that a spotless shop appeals to some types of people, many of whom are reliable, substantial customers.

"On the other hand, there are lots of people who prefer to trade at a sloppy, half-dirty place. You'd be surprised at the number. Cleanness and order sort of scare them away.



His brother still keeps the grist mill and earns a living from its enterprise

They pass on to other villages. I don't try to coax them back. It seems to me that there's entirely too much coaxing in American merchandising as it is practiced today.

"A man or a woman comes into your store. He probably wants to buy something, or he wouldn't have come. Either that or else he wants to look and consider buying. Or else he may have come for a mere social visit, and this can't be regarded as a business entry. All right. I say don't pester him—don't set a snare of 'smart' salesmanship. My notion is that the best advertising for the crossroads lies in an attractive display of goods—keep as much good merchandise as possible in the open, within eye sight and hand reach of the trade. . . . Show goods in keeping with the needs of a plain man's home. And remember the burning soul of this nation, or any other nation, is the fire in the kitchen stove."

For the most part, he believes that merchandise must sell itself. It can never become a staple item until it proves this ability. Therefore he stays with standard lines, highly accredited, nationally known brands, most of them widely advertised. But in regard to a great deal of the popular advertising of today, Hastings Williams shakes his head rather sadly, repeats the Abe Lincolnism to the effect that you can't fool all the people all the time.

"When salesman and magazine pages begin making wild claims for a given product, boasting and shouting about what it will do and what it won't do, I always think about a little story of the tough hombre from Argentine. It seems he was a gaucho, which as I understand it is a South American cowboy, and a hard nut.

One day he had a toothache. He went into a store and there he saw a carton of toothache remedy advertised to cure any toothache in three minutes. So the gaucho bought a bottle and swallowed it. Then he hemmed the storekeeper in a corner, took a watch in one hand and a six-shooter in the other.

" 'Partner', he says, 'if this toothache ain't vanished in three minutes, the whole of your insides is going to vanish in three minutes and one second.'

"Of course I'm not anxious to have that sort of customer. On the other hand I believe that if more buyers were like the hardboiled gaucho, American merchandising would be a better and cleaner game than it is."

Strolling among the display shelves, I meditated upon the truth that a store is most certainly a world, a tangible concentrate of the life of this year and last; that Williams' store at Williamsville crossroads typifies rather pertinently the crossroads of America.

Shelves of a country store

WITHIN astonishingly terse yardage there wait patent medicines, "shelf drugs," pills, ointments and extracts; cough syrup and cough drops, shampoos, glue, shoe polish, light bulbs and lamps; naphthas, sugar of lead, absorbent cotton, canned grapefruit, plug tobaccos, flashlights, radios; an ancient spoolcase, stoves, kettles, pots, pans, boots, shoes, rubbers, sweaters, underwear and bedding, china eggs, dinner pails, balance scales, funnels, oil cans; a golden and expansive bunch of bananas under which are grouped plentiful assortments of nails, bolts, nuts, screws.

Beyond these are empty jugs, modern refrigerators, square-headed syrup pails, meat grinders, window cords, heavy ricks of bagged sugar, flours, and meal; a shelf crowded with salad bowls, goldfish bowls and bathtub cleaners. A miniature meat mar-

(Continued on page 67)

BURNING DESERT TORTURES TIRES

470-MILE DAILY SPEED RUN SETS TIRE ENDURANCE RECORD

Owner Praises Goodrich Silvertowns

"We operate one of the most unusual truck runs in the country," says Mr. Dale C. Ramsey, owner of the Valley Truck Company, Los Angeles. "Our trucks haul the Los Angeles Examiner to cities in the Imperial Valley. We pick up papers at midnight and deliver them in Mexicali, 235 miles away, before breakfast.

"For three years we have maintained this daily service and have never once been delayed by tire failure. This is despite the fact that, crossing the desert on the return trip, the temperature will run as high as 130°.

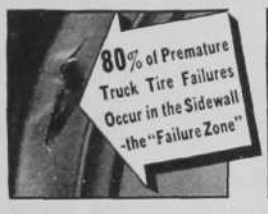
"Incidentally, we have been averaging better than 64,000 miles with our Goodrich Triple Protected Tires."

There's a *real* trucking job for you—one of the toughest on record. Schedules are fast. Curves are sharp. Roads are rough—sizzling hot. And yet Goodrich Silvertowns not only carry the loads without delays—but they set amazing mileage records as well!

Tires that stand up on burning desert runs will certainly handle your job better, too. Why not investigate this money-saving tire? Find out about Triple Protection—the secret of Goodrich performance. Any Goodrich dealer will give you the facts.



HOW TRIPLE PROTECTION WORKS





1. PLYFLEX—distributes stresses throughout the tire—prevents ply separation—checks local weakness.

2. PLY-LOCK—protects the tire from breaks caused by short plies tearing loose above the bead.

3. 100% FULL-FLOATING CORD—eliminates cross cords from *all* plies—reduces heat in the tire 12%.

Goodrich *Triple Protected* Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES

No Business Can Escape Change

Change knows no vacation. It keeps on the job in every business, is always to be reckoned with

Chrome-nickel stainless steel is given any desired color finish by a new process. Color is developed by chemical and thermal reaction and becomes inherent with the surface. . . .

Latex-saturated paper forms the basis of a new sheet material, designed primarily for shoe innersoles, but also usable for packaging and other applications where wearing qualities, pliability, toughness and waterproofness are desired. . . .

A new casein wall paint dries in two hours, giving a dull, washable finish. One coat is usually enough for refinishing painted walls. It's available in white or pastel shades. . . .

Pumice stones for removing stains from hands are now made in pastel shades to match bathroom color schemes. . . .

Breakfast-table convenience is served by a small multiple-outlet unit which provides contacts for four electric appliances and is itself supplied with current through a single extension cord. . . .

A renewable electric fuse, which uses mercury as the contact element, has been developed. An overload "blows" the fuse by displacing the mercury; one renews it by giving it a shake. . . .

Washable oiled silk covers with elastic hems which fit snugly over kitchen utility bowls are now on the market. They come three sizes to a set, are designed primarily for refrigerator use. . . .

A new refrigerator deodorant is said to absorb all odors, keeping onions, cheese, butter, etc., from tainting or being tainted. It's in a small container which is simply placed on the shelf. . . .

An electric lighter for kitchen range oil burners is now on the market. It plugs into any convenient outlet, is said to be simple to install, to light with the snap of the switch. . . .



Vacuum-sealed milk which will remain fresh in the refrigerator for up to six weeks is now on the market. A gasketed, lacquered metal cap is used in place of the usual fiber cap

Laundries are offered a new process, involving a new hydrogen peroxide wash, which is said to maintain whiteness, brightness of silks, wools, rayons, to be harmless to fabrics, to permit fast-color and white goods to be laundered together. . . .

Micromatic adjustment is permitted by a new slotted nut. Ingenious spacing of keying wedges gives 10 to 22 adjustments per turn (varying with size) in place of the usual six. . . .

An American-made three dimensional pantograph has been developed for quick engraving of molds in steel, etc. It reproduces in reduced ratio from models, metal templates, etc. Cutter spindle and tracer are always vertical to work, eliminating undercuts. . . .

Timing dial of a new parking meter is part red, part white; a pointer hand moves through the white area during legal parking time, into the red when time's up. It's sold under a plan which provides for payment out of earnings.

A new, all-steel, streamlined utility trailer for passenger cars is mounted on two standard auto wheels and tires, has a hinged cover and tailgate, carries loads of up to 1,200 pounds. . . .

Fishing inner-tube stems through tire rim holes is made easy by a new tool. It attaches to the stem and permits the latter to be drawn through and held while the tube's being inflated. . . .

Unloading of viscous materials from centrifuges is speeded by a new two-motor drive. Main motor supplies the high-speed drive; the other a low, constant speed drive for use while the load's being plowed out of the basket. . . .

A new, accurate derrick scale permits weighing, recording and derrick operation all to be handled by a single workman. It is suitable for weighing any commodity handled with a single line guy or a stiff-leg derrick. . . .

With a new, low-priced, inter-department communicating system one merely flips a key on a compact box (resembling a midget radio) and talks in normal voice. The box contains loudspeaker, microphone, volume control, plugs into any light socket. . . .

Automatic electric cleaning is offered in a new poultry laying cage system. Noiseless scrapers, operating on endless chains, clear the dropping pans and drop the litter into metal containers. . . .

A grating attachment has been developed by a food chopper manufacturer which grates vegetables, chocolate, dried cheese; makes noodles, purées cooked vegetables. . . .

New in gift wares is a gleaming chromium-plated bowl for loose face or bath powder, 5⅝ inches in diameter, which has a convenient hand mirror built into the inside of the cover. . . .

Hot or cold sitz baths are provided by a new unit which replaces the seat and lid on any standard toilet bowl and which consists of a seat, bidet and lid. It also embodies a spray. . . .

Proud parents have one of their travel problems solved by a new disposable diaper. It pins on, consists of gauze and cellulose backed by light, tough paper which also is waterproof. . . .

A special typewriter and ribbon have been developed for preparing copy for photolithography. Typed on the metal photolithographic plate, copy is said to be sharp, clear. . . .

Resembling an automatic pencil, a new eraser for typewriter or India ink presents a thin line of small, hard fibers to the paper surface. These are fed down from the barrel as needed. . . .

A pencil which has a thin, strong, silver-colored lead has been developed for marking or correcting blueprints. It is said to make a clear, brilliant, non-smudging, erasable line. . . .

Pipe smokers are offered a new juice eliminator—an absorbent filter pad which fits the bowl bottom and which is covered by a perforated metal cap. The pad's replaced when soggy. . . .

A new cigarette has a paper-like substance built into its cork tip. The filter's said to provide a cooler smoke, to retain dust and other irritating substances. . . .

A new wall covering which has a velvet eggshell finish and which is said to be durable, washable, proof against ink, grease and other stains is now offered. It is applied like wallpaper, can be washed with soap and water, even scrubbed with a brush. . . .

Fishermen's tempers are preserved by a new plug which is said not to catch in weeds. Hooks fold beneath the belly, spring out when strike of the fish releases an ingenious trigger. . . .

The ubiquitous zipper appears on a new belt for men. Instead of the five adjustments provided by the usual tongue-buckle belt, this one supplies 40, spaced 1/16" apart. . . .

—Paul H. Hayward

Editor's Note—This material is gathered from the many sources to which Nation's Business has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



GRAPH BY JOHN PAUL PENNEBAKER

CREDIT WHERE CREDIT IS DUE

The maestro . . . *his* name in the headlines . . . *his,* the mightiest roar of applause . . . *his,* the highest salary. . . Why? . . . The one man who fingers no instrument himself actually plays them all. Strings and brass and taut drum heads are the power that is music — but the baton is *control.*

The simile in Industry is accurate, save in one detail. Motor Control, baton for electric motors, maestro of modern manufacturing, performs its vital work for a pittance. Costing so little in relation to the machinery it directs, its importance is too often under-estimated. Select Motor Control with the care it deserves. Specify Cutler-Hammer and be sure of *good* Motor Control. Outstanding builders of motor-driven machines feature it in their designs. A host of reliable independent wholesalers stock it for your convenience. CUTLER-HAMMER, Inc., *Pioneer Manufacturers of Electric Control Apparatus,* 1251 St. Paul Avenue, Milwaukee, Wisconsin.

CUTLER-HAMMER C-H MOTOR CONTROL

What is Motor Contr

Motor Control has no form. Whether it is a li device like the cold con on your household refrig ator or an entire balcon panels as in the steel m it starts, stops, regula and protects motors to s time, trouble and expe The name Cutler-Ham is its greatest guaran



Toledo's Plan To End Strikes

By CARLTON K. MATSON
Editor, The Toledo News-Bee

LAST summer this Ohio city launched an experiment in community aid for settling industrial disputes. There is no magic in the formula and, it is admitted, the test is too short to weigh achievements accurately. But good has been done and morale improved



COURTESY TOLEDO NEWS-BEE

Edmund Ruffin, former newspaper man, recently named executive director of the Board

THIS article is designed to answer the question which has been asked many times in letters and verbal requests from all parts of this country:

"What is this Toledo Peace Plan, and what does it do?"

Any one, however, who is looking to this answer for a magic formula by which all industrial conflict may be resolved, need read no further. Toledo has invoked no magic, and has discovered no fixed formula. It has merely embarked with some success upon an experiment in community aid in settling industrial labor disputes.

The experiment has been going on now since last summer. In detail and in executive personnel, it has undergone changes. But the purpose has remained pretty much the same.

That purpose was set forth in conversations last June 25, when, after the power workers' strike was settled, Edward F. McGrady, first assistant secretary of the U. S. Department of Labor, proposed first to the editors of the three Toledo newspapers, and later to the community through those newspapers, that there be created a Toledo Plan for Industrial Peace.

Mr. McGrady was no doubt tired of being called from Washington to act as doctor to some aggravated industrial labor cases. But besides having a practical desire that the patient be taken off his hands by some effective local clinic, he had gained a vision of some industrial relations pioneering which the Toledo community might undertake which would hold the possibility of converting the community's bad experience and reputation into an asset for itself, and possibly for the nation.

The impulse behind the whole movement locally was nothing more concrete than an expressed feeling:

"We have got to do something about this."

Toledo, as every one should know—our labor troubles were certainly adequately publicized—had had some spectacular labor crises. Two of these —and actually there were only three of note—had gained for themselves wide national publicity.

Disputes must be settled

WHILE most Toledoans feel that their city has been given an unfair reputation because of the dramatic character of its two principal strikes, yet there was scarcely any responsible citizen in late June, 1935, who did not recognize that the town was being hurt by its reputation, and that any additional crises might prove pretty nearly fatal. So the hand-wringing and the what-to-do-about-it.

Thus the McGrady suggestion received instant attention. It didn't get a warm reception, because no warm receptions are extended to any proposals for solution or prevention in the sharply critical and suspicious atmosphere which follows industrial upheaval in a community.

But progress was made, and through the weeks of July and August, 1935, the Toledo Peace Board took shape, and even as it took shape, began to function. An able labor relations executive, Ralph A. Lind of Cleveland, Eighth District Labor Relations Board director, under instruction from Mr. McGrady, took over organization of the Toledo board and became its impartial chairman.

In minor labor difficulties which developed in the summer of 1935, Mr. Lind was strikingly successful in working out settlements. And, although the board did not meet officially until September 4, the good name of the board and the influence with the public which had been built up around that name were repeatedly invoked by Mr. Lind in settling minor difficulties in three local industries.

When the board met, 18 citizens had accepted membership. Five were from organized labor leadership, five from industrial management, and eight from the community. The labor membership was nominated by the Central Labor Union, A. F. of L. council of local labor unions. The five management representatives were named by the local Chamber of Commerce. The impartial citizens at large were



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Glance around your office and you will probably find that the telephone handsets, and the mouthpiece of your dictating machine are made of Bakelite Molded; that your desk is protected with a Bakelite Laminated top, or finished with a varnish based on Bakelite Resin. Fountain pens and pencils, calendar stands, letter trays, and ash receivers are a few of the hundreds of office accessories made from Bakelite Materials.

Even the typewriter on which your secretary transcribes your letters has a spacer bar and keys of Bakelite Molded. The handsome plywood paneling on the walls may be bonded with moisture-proof Bakelite Resibond.

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Some forms are used in every branch of the electrical industry, others in the process industries, and in the mechanical industries. Cosmetic, food, and liquor industries use Bakelite Materials for containers, closures and displayers. The building industry uses them both indoors and out. Furniture, hardware, paint and varnish, textile, and automotive are other industries making wide use of them.

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picked by Mr. McGrady and Mr. Lind. They included two judges, two attorneys, a Catholic monsignor, a Jewish rabbi, a merchant, and the county relief director.

Criticism soon abated

UNITED support of the newspapers enabled the appointments to the board to "stick." Not an appointee refused to serve, and while there was some criticism of the proportions of representation, this soon abated because it became apparent to all that there would be no decisions by majority vote, that the board was not a court of record and, therefore, that no coalition of management or of labor representatives with any group of community representatives could force any decision or action upon the issues involved in any labor controversy.

By the middle of last autumn, these principles were pretty clear.

First, that the board itself was no more than what Mr. McGrady had called it in his original statement to the public ". . . a composite forum representing the community, to which either side can bring its grievances and which shall be of such repute and dignity that much trouble can be avoided . . ."

Much suspicion about the board's operation had been allayed as it became apparent that representative proportion was not nearly as important as the influence of individuals and the mass effect of the whole board upon public opinion.

At a board meeting in the fall, at which a strike of 400 men in an auto parts industry was under consideration, the board conclusively decided that it would not at any time take a vote upon the rightness or wrongness of issues involved in any dispute. It should be borne in mind that this decision was in the determination of procedure, and not upon any issues involved in a labor dispute.

Second, that the board could not at any time concern itself with abstract policies of open-shop or closed-shop, of union recognition or refusal to recognize a union, that its function was to deal with the actual facts involved in a dispute as it came to the board, and to try to set up a formula of resolving differences upon the basis of the facts existing.

While the question of some sort of labor organization recognition has been involved in nearly every dispute arising in Toledo, the board has not permitted itself to be used as a partisan factor in maneuvering recognition or in giving aid to any employer seeking to avoid recognition.

Third, that the board was to function by holding meetings for the purpose of discussion and shaping of general policy, and in the support and direction of an executive secretary or director, and in providing individuals to serve on subcommittees or panels.

In connection with this third objective it should be understood that the Peace Board is only a negotiating body, and that it is not intended that its function shall go beyond negotiation. It provides a place for "talking it over," and may suggest or advise solutions.

There has been no attempt to force any one to use the Peace Board. The board has publicized its willingness to serve as a negotiator, and in most cases one party or the other has brought the issues to the board.

What pressure there is is implicit in the question which develops in the public mind when a labor situation becomes acute:

"Why don't they use the Peace Board?"

Only recently it has been suggested that the board provide the impartial arbitrator in an official arbitration of the usual three-man variety. This would not necessarily involve the whole board in a final decision upon the issues in any dispute, but the effect might be the same. If any part of the board served in an arbitration, the reputation of the whole board might be involved.

There is strong feeling that neither members of the board nor the executive secretary should at any time become parties to an arbitration, but should go no further than to help set up arbitration machinery when it is called for.

Negotiation only

ACCORDING to this critical opinion, it is felt that if board members themselves become involved as arbitrators, the board itself might be dragged into positions of final adjudication instead of negotiation of issues, which would be likely, it is felt, to impair the board's impartial function, and to stir up suspicions and animosities, which might impair the board's effective influence.

Fourth, that the day-to-day effective functioning of the board must be



COURTESY TOLEDO NEWS-BEE

The 18 men who make up the Toledo Peace Board. Ralph A. Lind, who organized the group and became its first chairman, is in the center of the front row

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carried on through a competent executive secretary or director.

In line with that policy, Mr. McGrady sent a first director to Toledo with the understanding that he was to be maintained in Toledo only over a probationary period of about six months. L. S. Harding, experienced in labor negotiations under the Federal Department of Labor, was this first director.

Mr. Harding was effective in settling a series of troubles—some differences, one of which had been festering in a retail men's furnishing concern for more than two years. He proved to be an able negotiator, and although the whole Peace Board was brought into session only a few times, its influence was continually invoked and, through panel meetings, different members of the board helped work out settlements.

The job of the director is bound to be of major importance in the functioning of machinery such as the Toledo board. The director has to be the starter. He has to do the investigating and the making of contacts which lie behind his effective operating in actual negotiation.

The board itself is the policy-forming body, but it is the director who has to get things started, and to keep them going. He is the man on the job.

While the board has no legal authority, it does have an unofficial authority which derives from acceptance by the public. Such acceptance has been strengthened continuously in Toledo in the past year.

The people of the city generally have come to have a considerable faith that when things get tough in a labor situation the Peace Board can "do something." A real restoration of the people's faith in their city has come through the sense that the Peace Board will not permit any labor crisis to become as seemingly hopeless as some have become in the past.

In a city whose morale had been deeply shaken in the years of depression, culminating in the labor troubles, there has been a notable revival in the last year, and most Toledoans will concede that the Peace Board has had a good deal to do with this.

The newspapers have, of course, had much to do with building up and establishing the acceptance and influence of the board. The newspaper editors, dragooned into becoming sort of arbitration boards in labor crises, collectively decided that support of some machinery to maintain industrial peace had become a necessity above any competition, even in a situation in which competition was a sharp factor.

The newspapers have refrained from "demanding" that the Peace Board take this or that stand, and have strictly refrained from trying either to engineer or dictate Peace Board policy in any particular labor disputes. This enlightenment, even if the recognition has to come from an author who is himself identified with one of the Toledo dailies, can be fairly credited with much of the progress which the Peace Board has made.

Both the Chamber of Commerce and the leadership of the older labor organizations can be credited with major parts in establishing and maintaining Peace Board influence. While the labor leaders were critical at first, and still are not completely satisfied with their proportion of representation, they have nevertheless been responsible and constructive in their relations with the Peace Board. Otto Brach, veteran secretary of the Central Labor Union, has supported the board vigorously, and went before the City Council to urge city support of the board when federal subsidy was withdrawn the first of March.

The Chamber of Commerce used admirable forethought and moderation in nominating management representatives to the board in the first place. Since then, the Chamber, through a secretary of vision, A. J. Horn, has given the board quiet support. It has refrained from "claiming credit" for its part in setting up the board, and has not made mistakes which have sometimes been made by commerce bodies seeking to move too rapidly into the foreground.

Surely Toledo is entitled to great credit for the admirable and effective marshalling of its leadership to an intelligent support of the Plan for Industrial Peace.

Continuation of the Peace Board at least for this year was assured by recent action of the Toledo City Council, in setting aside funds to maintain an executive director and office assistant. The director, Edmund Ruffin, a local newspaperman with wide experience in labor reporting and writing, was nominated by Mr. McGrady and Mr. Lind, and accepted by the city upon naming by the Board.

It is much too early to weigh accurately the achievements of the Toledo Plan for Industrial Peace. It is too

(Continued on page 77)

BELLRINGERS



HORYDCZAK

The Old Mill Stream

IN 1819 Isaac Pierce opened a flour mill in what is now Rock Creek Park in Washington. Water diverted from Rock Creek poured through the mill race and kept the old mill grinding briskly until 1879 when the mill wheel collapsed. The building, of sturdy stone, still stood, however, and in recent years, has served as a tea house. Now all that has changed.

The old mill today stands just as it did when Isaac Pierce first built it, down to the last hickory gudgeon. It has been restored by $19,200 of PWA funds.

To do the job, John Solomon Fitz, one of the nation's few remaining builders of water wheels, was summoned from Hanover, Pa. His superintendent, Charles F. Petty, scoured the country to find authentic antique mill equipment. The old mill race was filled up years ago, but another has been dug to follow the same course.

Presumably, the mill is ready to grind wheat and now people who regard the project as something less than inspired are asking if wheat is actually to be ground there and, if it is, where it will come from and how it will be used.

"Or," they say, "if wheat isn't to be ground, then what is the idea?"



Section of 105-year-old cast iron water main still in service in St. Louis

ST. LOUIS' *water distribution system is* 98.7% CAST IRON PIPE

From the "father of waters," the Mississippi River, and the Missouri as well, the City of St. Louis derives its water supply. Through two filter plants with a combined capacity of 240-million gallons daily the muddy flow of these mighty rivers is converted into clear, wholesome and moderately soft water. The filter beds occupy 403 acres. Average total daily consumption (1934), 117.2 million gallons daily. The distribution system contains more than 1200 miles of pipe of which 98.7 per cent is cast iron pipe.

The average percentage of cast iron pipe in the water distribution systems of the 15 largest cities in the United States is 95.6%. Cast iron pipe is the standard material for water mains. It costs less per service year and least to maintain. Its useful life is *more than a century* because of its effective resistance to rust. It is the one ferrous metal pipe for water and gas mains, and for sewer construction, that will not disintegrate from rust. It is available in diameters from 1¼ inches to 84 inches.

For further information, address The Cast Iron Pipe Research Association, Thos. F. Wolfe, Research Engineer, 1011 Peoples Gas Building, Chicago, Illinois.

The following tabulation shows the percentage of cast iron pipe used in the water distribution systems of the 15 largest cities in the United States as reported in 1935 by their Water Departments.

CITY	PERCENTAGE
New York	97.2
Chicago	100.0
Philadelphia	98.3
Detroit	98.7
Los Angeles	74.0
Cleveland	98.9
St. Louis	98.7
Baltimore	99.7
Boston	99.8
Pittsburgh	97.9
San Francisco	76.8
Milwaukee	100.0
Buffalo	99.8
Washington D.C.	98.8
Minneapolis	95.8

CAST IRON PIPE

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TRADEMARK REG.

What's Behind the Townsend Movement?



Dr. F. E. Townsend testifying before the Committee after having hearings postponed for an urgent trip west



ALL PHOTOS FOR NATION'S BUSINESS BY HAMM'S

Committee members Scott W. Lucas, C. Jaspar Bell, chairman, and John B. Hollister, and standing, Thomas F. Hardwick, an attorney for OARP



First on the Bell Committee's stand was R. E. Clements, co-founder of OARP, but now resigned



A few "old folks" at the latter part of Dr. Townsend's testimony. Dr. Townsend, on his urgent trip west, had asked that thousands come

THE Townsend Plan, incorporated as Old Age Revolving Pensions, Ltd., was started by Dr. F. E. Townsend and R. E. Clements in Long Beach, Calif. in the fall and winter of 1934. The meetings, with an emotional fervor akin to religious revivals, achieved a large following and at the same time brought in a large sum of money. Accounting methods, however, were abstruse—amateurish or concealing according to who tells it.

Mr. Clements, who was treasurer before his resignation, told of the finances of the organization—privately owned largely by Dr. Townsend.

Dr. Townsend stressed the aim of giving all over 60—or possibly a younger age—$200 a month. He sloughed off the mundane problems of raising the $20,000,000,000 yearly, as also the prodigious bureaucracy that would be required for the execution of the plan.

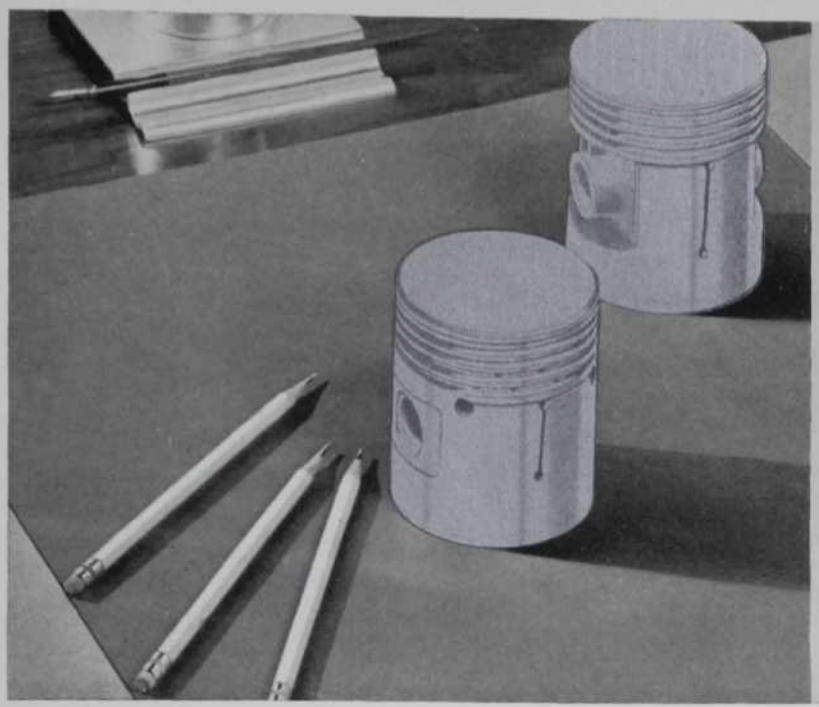
He has favored a transactions tax. After repeated questioning, he admitted that the tax would fall largely on the poor people, that he "possibly" made a misstatement when he said he had made a study of the cost of administration—repeated questions had brought forth none of the figures of the "study"—and that every farmer would have to be licensed to collect the tax.

Newspapers had quoted him as telling his followers that he would tell the Committee only what he wanted to. When he walked out, putting himself in contempt of the House, the matter was turned over to the Federal District Attorney.

Prosecution has not been pressed as yet.—W. L. H.



J. R. Sullivan, Committee counsel, conducted most of the questioning



All Honor to Sharp Pencils

WHEN A MAN makes a revolutionary discovery which presents to industry a totally new common metal, he may be pardoned for visionary dreams of an easy path to fame and fortune.

Certainly this was the expectation of Charles Martin Hall, the 22-year old woodshed experimenter who, in 1886, discovered the commercial process whereby Aluminum could be produced economically.

But Hall and his venturesome backers of fifty years ago made little progress in creating an Aluminum industry until they grappled with the realities of the sharp pencils of commerce: the calculating pencil of the engineer, the challenging pencil of the architect and the designer, the close-figuring pencil of the purchasing agent.

It was because of the challenge of these sharp pencils, in the hands of customers and competitors, that the pioneer makers of Aluminum (originally the Pittsburgh Reduction Company, now Aluminum Company of America) eventually found themselves part of a thriving new industry.

The obligation of a business to its customers is obvious. But this business owes quite as great a debt to its competitors.

The keen competition offered by the many fabricators within the Aluminum industry has not only stimulated our own efforts, but has also spread the gospel of Aluminum faster than any one organization could possibly have done.

To the producers of other basic materials and metals also belongs a generous measure of credit for the progress of the young industry. Their honest competition speeded the search for cheaper methods of Aluminum production and fabrication, and the development of new strong alloys. Their well-earned position in many fields has forced Aluminum to create new markets for itself, thus serving its own best interests as well as the general economic good.

After all, is there any real conflict between the basic metals and materials? Is not the actual conflict with natural forces — against gravity, in the matter of weight; against inertia as affecting mass-in-motion; against corrosion and harmful chemical action; against stresses and other created forces?

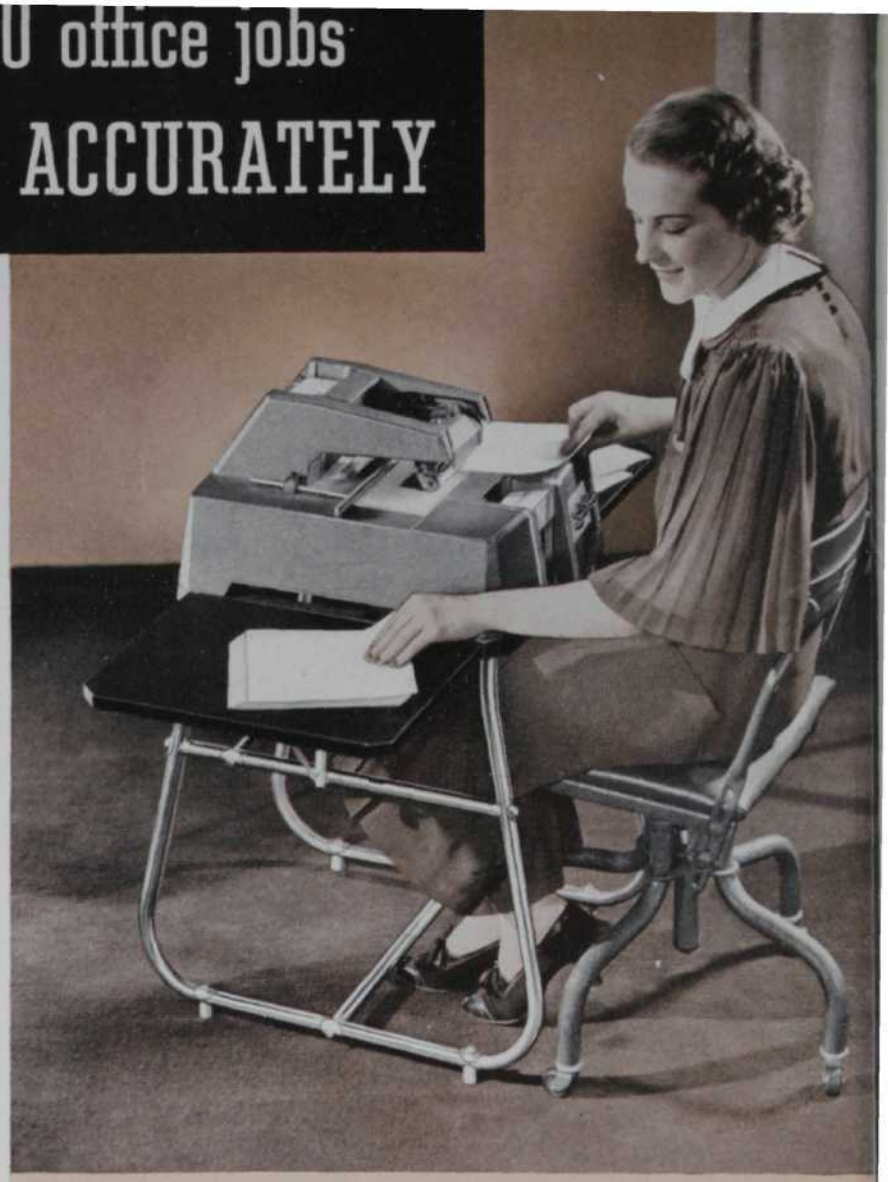
These natural forces the Aluminum industry regards as its real competition. In the fullness of time every basic material will find its own natural and intended place in the economic scheme of things.

Meanwhile, Aluminum asks to be looked upon as a friendly metal, ready to go to work in effective partnership with other metals and materials wherever and however the sharp pencils of commerce figure that human welfare can best be served.

A FIFTIETH ANNIVERSARY MESSAGE FROM

ALUMINUM COMPANY OF AMERICA

It does more than 100 office jobs SPEEDILY • QUIETLY • ACCURATELY



A new opportunity to reduce expense

Now, for little more than the cost of a typewriter, you can own this new electric addressing and data-writing machine . . . a new-principle, expense-reducing Addressograph that can save money in scores of ways for businesses, non-commercial organizations and departments in municipal, county, state and federal governments.

This new machine speeds up "paper work" in factories . . . in advertising and selling . . . in routing and shipping . . . in billing and accounting . . . in collecting . . . in making payments.

From indestructible metal typing units, embossed with names, addresses, facts, figures and other frequently-used data, it duplicates typewriting at the rate of over 20 *complete* impressions per minute . . . 1200, 1500 or more per hour. It does addressing on all kinds of communications and data-writing on all kinds of forms.

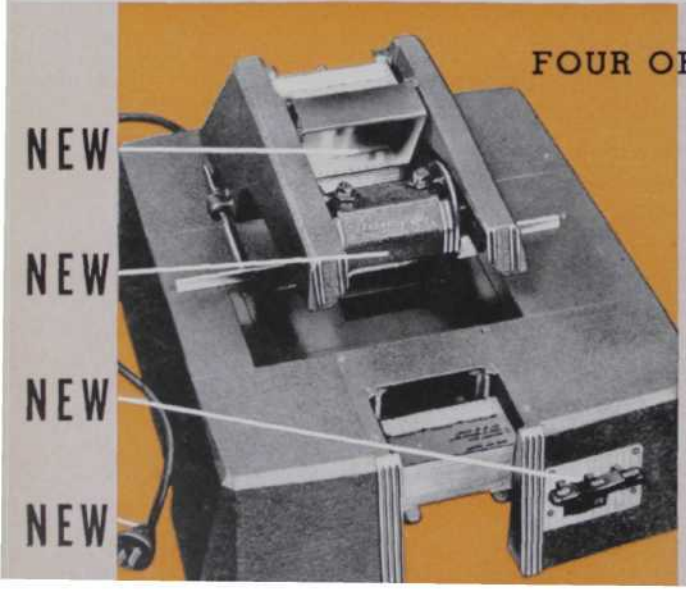
Ten to twenty times faster than manual methods, it does selective addressing and data-writing . . . does automatic listing . . . personalizes Multigraph letters . . . dates, numbers and signs checks and other forms, and counts them . . . writes short messages on post cards, inserts, statements. *And never makes a mistake!*

To write the same names or same data by hand or typewriter would require fifty, a hundred or more motions. Class 900 Addressograph does the same writing with ONE swift motion. A new 32-page booklet explains Addressograph methods and presents information about this new, low-priced Class 900 Addressograph. A copy will be mailed on request.

CLASS 900 ADDRESSOGRAPH

$142.50

F. O. B. CLEVELAND
WITHOUT STAND OR ATTACHMENTS
CONVENIENT PAYMENTS



FOUR OF MANY FEATURES

Position of classification tabs indicates whether unit is to print or skip.

Roller platen produces quality ribbon-print impressions from typing units.

Three-key control simplifies and speeds operation. Prints consecutively, repeats or skips at will.

Electric power never before available in a light-weight, low-cost Addressograph—a BIG saver of time and effort.

Here are a few advantages of the new Class 900 machine:

1. Powered by a universal electric motor, built into the machine. Plug into any light socket. Use on stand or desk.

2. New principle provides practically noiseless operation. Finger-tip control makes use fast and easy.

3. Quality work is assured by roller platen. Long and short lines print uniformly sharp.

4. Will print all or any part of data or name and address on typing units.

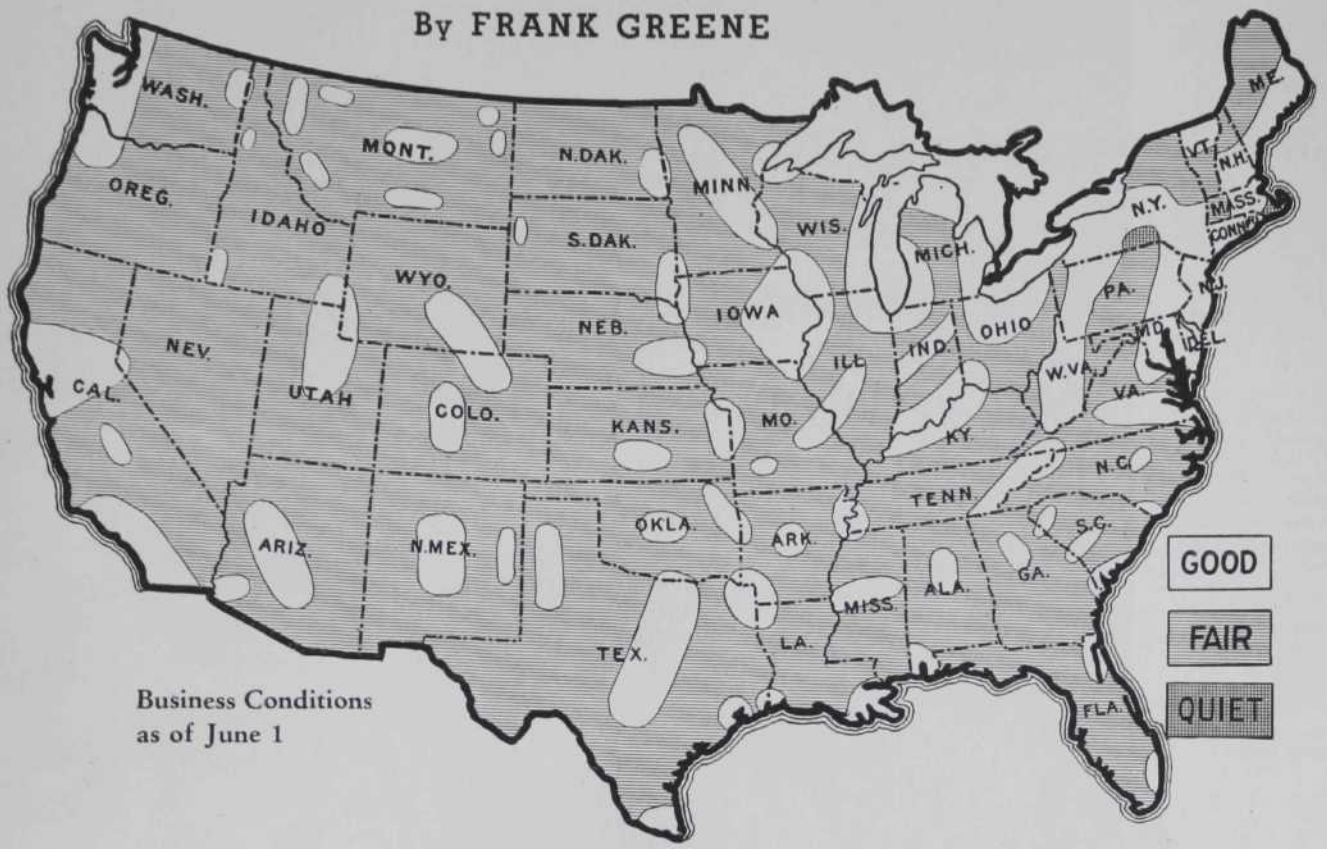
5. Exceedingly simple mechanically, insuring trouble-free service for many years.

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ADDRESSOGRAPH COMPANY
DIVISION OF
ADDRESSOGRAPH-MULTIGRAPH
CORPORATION, CLEVELAND, OHIO

The Map of the Nation's Business

By FRANK GREENE



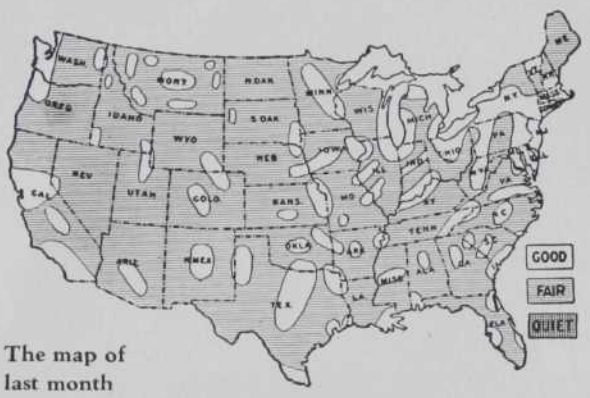
Business Conditions as of June 1

MAY wholesale and retail trade and manufacture generally exceeded that of April and of May a year ago. Crop prospects varied. Rains improved prospects west of the Alleghanies. The Southeast complained of lack of moisture from Virginia to Alabama, with cotton, tobacco and corn reported in critical need.

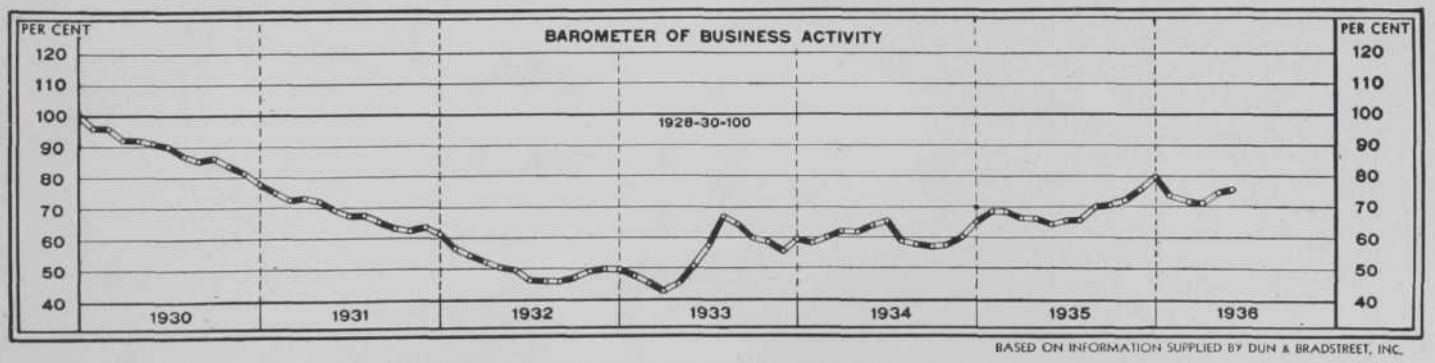
Stock trading in May was classed as dull but prices regained all of the April loss and finished close to the high for a six-year period. Dividend payments were the best for the month in five years. Wholesale commodity prices ebbed. Foods showed most weakness. Textiles were higher.

In the production field, steel and its products led in percentage of gain, with bookings and prices for the third quarter showing a general advance. Carloadings were the heaviest of the year. Electric power and petroleum set new high records. Failures declined sharply in number. Automobile output and building construction were the largest in five years.

With crops still in the making, important changes in the Map are not numerous, but, on the whole, a slight increase in "Good" areas is visible



The map of last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

The Business Activity Barometer rose for the second time this year, with steel, carloadings and electric power, in the order named, contributing. Bank clearings and the price index receded slightly

"This is new

ID YOU KNOW

- that the railroads haul a
n of freight a mile with a
ass of water and less than
handful of fuel, and at rates
eraging less than a cent?

- that the speed of freight
ains has been stepped up
3% in recent years?

- that the railroads main-
in their own "highways"
- a quarter of a million
iles of "line"?

- that 44% of every dollar
e railroads take in goes
r railroad payrolls?

- that by increasing the ef-
ciency of combustion the
ilroads have cut fuel costs
half billion dollars in the
ast ten years?

- that many railroads will
arry your automobile to
acation spots for the price
f a third ticket?

- that you are far safer on
railroad train than you
re in your own home?



s, even to me!"

THIS veteran of the throttle has been high-balling freight for many a crowded year — all the crates of perishables he has hauled would total a pile to dwarf the mightiest mountain.

But it took a little printed paragraph about grapefruit to open his eyes fully to the great job the railroads are doing, both service-wise and cost-wise.

The paragraph he read was this unimpeachable statement by the United States Department of Commerce:

"It costs more to cart four boxes of grapefruit across Manhattan Island than it does at carload rate to ship a box from Florida to New York by rail."

Any way you take that statement, it tells an eloquent story—a story reflecting credit even on a transportation system recognized as the finest in the world.

For this contrast in costs exists *in face of the fact* that railroad wages are the highest transportation wages paid anywhere today. Or that the railroads of the country for the past ten years have paid taxes to the extent of nearly a million dollars every twenty-four hours!

Railroad men take pride in records like this, though they are more inclined to tend to their business of moving the bulk of the nation's freight than to make fanfare about how well and economically they do it.

That is why the achievements of the railroads — outstanding and numerous and progressive as those achievements are — come as news sometimes even to the very men whose unassuming diligence and quiet competence make them possible.

GO PLACES—NOW—BY TRAIN

Rates are low—Safety, Speed and Comfort higher than ever before!



NO other transportation in the world can match the American railroads for speed with safety. And every modern convenience contributes to your comfort when you go by rail. Practically all through trains are air-conditioned — cleaner, quieter, healthier. You have modern lighting, excellent food, comfortable seats, plenty of room to move around, and you get there on schedule. Yet with all the improvements railroads offer today, fares have been steadily lowered. When you plan a trip for business or pleasure—call the nearest ticket office for new low rates.

SAFETY FIRST— *friendliness next*

ASSOCIATION OF AMERICAN RAILROADS

HEADQUARTERS: Transportation Building, Washington, D. C.

New Ideas in Selling

News and comment on some of the developments affecting the world of distribution and selling

Hunting prospects: Some years ago a New York paper company hired a $30-a-week salesman in the course of its regular routine and put him out on the street thinking he might bring in a few stray orders through cold-turkey canvassing. Strolling down Broadway seeking some worlds to conquer, the young salesman saw the sign of a large express agency. "These people must use a lot of paper," he thought. "As good a place to start as any."

He got in to the purchasing agent. The purchasing agent was just about to place the order for the company's annual supply of blotters. The young salesman had his samples and prices with him and he walked out of there with an order for a carload and a half. Going back to his office at noon he turned in the order, then went out on his afternoon rounds. Next morning he found an invitation from the head of the firm on his desk, asking him to have luncheon with him.

"That was a good order you turned in yesterday," the boss remarked that noon.

"Glad you think so," said the youngster. "To tell the truth I was kind of pleased with it myself."

"It was so good," pursued the boss, "that it's the largest single order that we've ever had. None of us had ever thought to solicit that company's business before."

The youngster's a good deal older now. He's also sales manager of the company at a good deal more than $30 a week.

Standardizing Certifications: An effort to standardize and raise the level of reliability of such phrases as "approval," "certification," and "listing," has come under the purview of the American Standards Association by a proposal of the Association of Consulting Chemists and Chemical Engineers.

Approvals, certification, or listings by responsible agencies are of great potential value to the public and to responsible producers and distributors but, according to the chemists, this value is being dissipated by irresponsible endorsements that claim a significance they do not possess.

The plan is to set up standard practices covering fundamentals which should underlie approval procedures. The Chemists' Association believes that such standard practices will justify consumer confidence and thereby help to build consumer acceptance of sound approval systems.

Among the points suggested are: a clear statement of the agencies backing any plan of approval; and adequate independent sampling and testing to determine conformity with definite published standards.

The chemists said:

"Consumer interests are outspoken in their desire for factual representation concerning quality of commodities and the performance of equipment offered for sale.

"Vendors in increasing numbers seek to satisfy this consumer desire but are rarely willing to afford consumer interests adequate voice in setting standards and in guiding procedures for this purpose. The more responsible among them prefer to proceed on the reputation of respected trade names and are unwilling to have recourse to deliberate misrepresentation.

Cheese: Wisconsin cheese makers find that beauty mixed into their business pays good dividends. Attractive factory surroundings are a desirable form of advertising.

Tourists traversing the state cannot avoid noting the almost unending number of cheese factories.

In recent years, as they pass, travelers have begun to notice that cinder-packed yards, cluttered with rubbish, are disappearing.

In increasing numbers these rural industrial enterprises are being set off by well-graded green lawns, bright with flowers and cut by softly shaded driveways, all harmoniously landscaped.

The transformation did not just happen. To A. J. Marschall of the Marschall Dairy Laboratory, makers of rennet, at Madison, credit belongs as the man responsible for the cheese makers' beauty drive.

Although the state produces approximately two-thirds of the nation's cheese output, Mr. Marschall felt that something was lacking.

"People like good cheese," he reasoned, "and a tasty, wholesome product will sell itself on its own merit. But if it is manufactured in neat, well-kept plants, whose very appearance suggests how good it is, the advertising will be far more compelling."

So Mr. Marschall set out to raise the standard of cheese factory appearance. He called on the College of Agriculture at the University of Wisconsin, and that institution has given whole-hearted cooperation.

Under the present arrangement two contests are staged, one being confined to a limited area, comprising two to five counties, where an intensive campaign is conducted for one season; the other is a state-wide contest in which factories anywhere outside the intensive area are eligible to enter.

Decisions are made and prizes awarded on two points:

1. Grounds of entrants on which the most improvement is made in the year.
2. Grounds which make the best appearance.

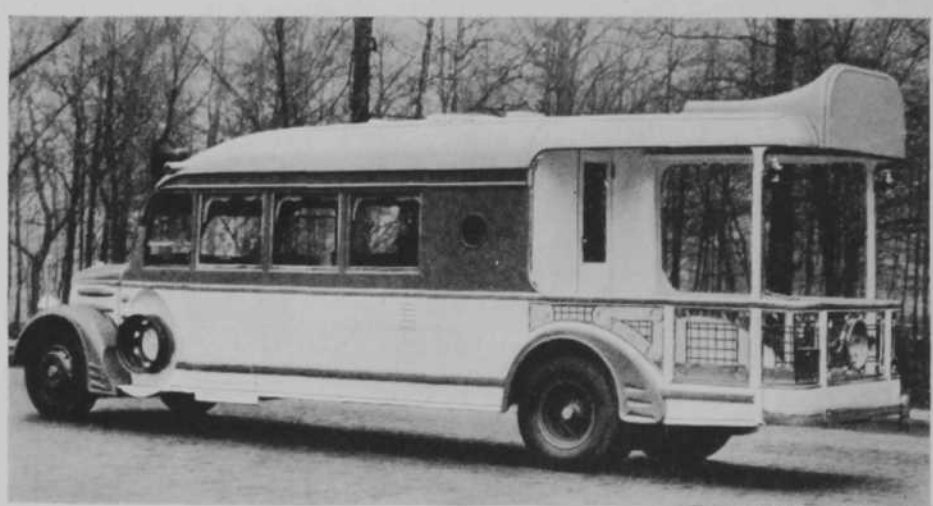
Pictures submitted in last season's state-wide contest definitely revealed the increased effort being put forth, Professor Moore declared.

Steve Suidzinski, cheese factory operator near Denmark, Wis., who has won several medals for his cheese quality, said:

"I'm pretty confident I would never have headed the way I have gone had it not been for the inspiration I caught from seeing the beauty I had created around my plant.

"There's another thing about it, too. I've found that the farmers who produce the milk for us like to deal with the place that is kept neat and sanitary. It gives them confidence in us. When they go back to their farms they begin seeing things that don't look so nice and they start fixing the place up.

"And that step leads them to look into the quality of the milk they are producing. And it isn't long before I can recognize a definite improvement in the grade of what they offer me."



COURTESY FAIRBANKS-MORSE NEWS

A Fort Worth mill and elevator company has purchased a motor coach with floodlighted rear platform, loudspeakers, and even a 1500 watt electric plant for use in advertising its products

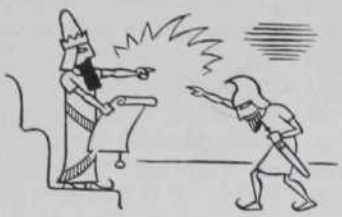
Odd Lots: A chain store recently opened a delivery service innovation. Orders of any size will be delivered any place within the city limits with an additional charge of five cents above the amount of the order. . . .

New ammunition in the battle between bottles and cans for beer containers is "The Keglined Merchandiser," a new publication dedicated to helping the distributor of canned beers increase sales. . . .

—Willard L. Hammer

Parable of the Profit Motive

By PAUL McCREA



NOW in that Land the King uttereth a Proclamation saying

Know all men by these presents: The profit motive is the root of all evil. It maketh the rich richer and the poor poorer, it trappeth the unwary, it robbeth the needy. It shall be abolished.

And the King maketh a law that service shall be the only motive for labor. And that those who taketh a profit shall be cast into a dungeon. And he sendeth forth his courier to bring news of this to all men.

And the Courier rideth afar. And he cometh to a place where a Dealer in Horses plieth his trade. And in that place he seeth a farmer who leadeth a sorry nag and harrangueth the Horse Dealer saying

Thou cut-throat skinflint, thou skinflint cutthroat, verily will I trade thee this goodly steed for yon lop-eared garran and no boot will I give thee.

And the Horse Dealer answered saying

Verily, thinkest thou I am of yesterday's litter? This, my animal, is of sound wind and limb while thy bag of bones is spavined and wind-broke and soon ready for the tallow kettle.

And it was as he said.

And the Horse Dealer spake further saying

Hear ye, thou who would steal pennies off dead men's eyes,



I will swap my steed for thine and an hundred Rumba cash, and in saying so I make myself a bad bargain.

And the Farmer beat his breast and fell upon his face and called on heaven to witness the injustice of this thing.

And the Courier spake saying:

Know ye not that it is the King's will that, in all business, the service motive shall rule. And he who taketh a profit shall be cast into the dungeon?

And when he heareth this, the Horse Dealer spake to the farmer saying

Rise up from the dust, my honest friend, it shall be as thou sayest and we shall swap horses and thou shall giveth me naught to boot.

And the Farmer riseth up, and he shaketh the dust from his beard and he spake saying

Not so fast, thou Horse's Master. Verily, we shall swap but I shall give thee to boot else I be cast in a dungeon for taking profit.

And the Horse Dealer spake saying

As thou wilt, give me then an hundred Rumbas, which is a fair thing.

But the Farmer spake again saying,

Not on thy saddlebags. With yon strong horse of thine I shall till my field better and my yield will increase so that I will still take a profit. Verily, will I give thee my horse and two hundred Rumbas.

And he beginneth to count the money from his pouch. But the Horse Dealer spake, saying

Dog, wouldst put me in a dungeon? Should I take thy two hundred Rumbas and a drouth cometh which killeth thy crop then I will have taken a profit.

And so they waveth their fists and shouteth.

And it came to pass that the Courier spake, saying:

This soundeth screwy to me.

And he catcheth them by their shoulders and he quieteth them and he spake saying

Come thou to the King and ask him what maketh a profit and he will set thee straight.

And they stood before the King. And the Horse Dealer spake saying



Oh, King, if I swap my friend a good horse for a bad horse that is the service motive, is it not?

And the King spake saying

Verily, that is the service motive.

And the Farmer spake, saying

But if I take a good horse for a bad one, I have made a profit and must go to the dungeon.

And the King spake saying

Verily, that is right unless you give money to boot.

And the Horse Dealer spake saying.

But who shall agree how much one horse is better than another?

And the Farmer spake saying

And if I have a riding horse and want a work horse and swap with my friend who has a work horse and wants a riding horse, must not both of us go to the dungeon as takers of profit?

And the Horse Dealer spake saying,

And if we trade two horses which are identical what is the sense in it?

And the King spake saying

These men are reactionaries. Away with them.



And they were cast into the dungeon.

And all the people rejoiced saying

Nobody can make a fool of our King.

GERTRUDE LYNDE CROCKER
discovers and adopts
IRON FIREMAN COAL FIRING



IRON FIREMAN

cooks food, heats water and warms the famous Little Tea House

● Of the many fine places to eat in Washington, D. C., one of the most charming is the Little Tea House.

Its cheerful warmth is provided by an Iron Fireman automatic coal burner. Its delicious food is cooked on a modern coal range fired by an Iron Fireman coal burner.



On Arlington Ridge, overlooking the Potomac River and the city, The Little Tea House is a popular rendezvous for Washingtonians.

Miss Gertrude L. Crocker, owner and manager, does not exaggerate when she says, "Iron Fireman equipment is the best investment I have made in a long time." Her statement is based upon the fact that Iron Fireman, replacing other types of automatic fuels, cut the cost of heating and hot water from $630 to $200 in one season.

Having saved 2/3 of every heating dollar, Miss Crocker installed a coal range equipped with Iron Fireman. Once again Iron Fireman cut fuel bills 2/3, and Miss Crocker says, "This range is quiet, clean, simple and easy to operate. I expect that Iron Fireman will pay for itself in one year in fuel savings alone."

What Iron Fireman has done for Miss Crocker it should be able to do for you in your business and in your home. An installation can be made quickly in old or new residential heating plants and in commercial or industrial boilers developing up to 500 h.p. Convenient monthly payment terms. If you want better heat or power plus substantial fuel savings, ask your Iron Fireman dealer for a free survey, or write for literature. Iron Fireman Mfg. Co., Portland, Ore.; Cleveland; Toronto. Dealers everywhere.



Iron Fireman Sales Corporation, 1705 DeSales St., N.W., authorized Washington dealer, made the Iron Fireman installations at the Little Tea House.

IRON FIREMAN MFG. CO.
3040 W. 106th Street, Cleveland, Ohio.

Type of plant:

☐ Send literature ☐ Commercial Heating
☐ Make firing survey ☐ Power ☐ Residential

Name_____

Address_____

And Unto God . . .

(Continued from page 24)

ers, engineers, economists, leaders of labor—to assist in working out the criteria for ethical teaching and establishing their illustrative material. Frankly, the church should make more use of them. The Federal Council, be it said to its credit, has a strong Department of Research and Education, and has been able to command expert consultants in its studies of industrial situations. I now turn to the specific questions asked in the *Open Letter*. They deal with the profit motive, social planning and distribution of the national income.

Article I of the Social Ideals of the Churches stands for "Subordination of profit motive to the creative and cooperative spirit." There is a growing conviction among Christian scholars that, from the point of view of Christ's teaching, the profit motive is not Christian under any circumstances. The Federal Council does not go that far. The inevitableness of profit under a system of private enterprise is implied. The Council takes the position that desire for profit should not dominate industry, but should be subordinated to the service motive. Is not that sound doctrine?

Even if it were true (we have abundant evidence that it is only partly true), that men work because they are forced to do so by outward compulsion or by the desire for gain, the motive of profit would still not be Christian if the enterpriser were to seek more than a fair payment for risks and management services. Management services should be recompensed by salaries. Profits derived from activities harmful to public welfare, from exploitation of labor, from taking advantage of positions of power and responsibility to gain at the expense of stockholders and consumers, or excessive profits for which there has been no corresponding return to society, are illustrative of obviously un-Christian and anti-social practices.

"Social planning and control of the credit and monetary systems and the economic processes for the common good," which is the second article of the Social Ideals concerning which question is raised, is not new. The Community Chest is social planning applied to the welfare agencies of a community. The Steel Institute is a voluntary attempt to bring order into a heavy industry. President Hoover started the effort to bring the individual units of basic industries into cooperative planning to control their evils. It was he who in 1924 was reported, in the instructive document, *Progress and Plenty*, to have said: "There is somewhere to be found a plan that will preserve the character of man and yet will enable us socially and economically to synchronize this gigantic machine built out of applied sciences." Industrial planning begins in the individual business and may proceed through groups and associations to the entire industrial structure. It may, and in this country it would seem should, follow the lines of American practice by voluntary action of business itself, in cooperation with Government. If depressions are to be overcome, if distribution is to balance production, if agriculture, mining, manufacturing and transportation are to move abreast on parallel lines there must be concerted thinking and planning. An individualistic business structure, like an individualistic Protestantism, cannot successfully deal with the problems of the present and the future.

Christianity and wealth

THE Social Ideals also call for a wider and fairer distribution of wealth. This the *Open Letter* strongly protests. The existing distribution of wealth and national income, as has been said, is defended without qualification. The author first lays the present inequalities of income, with their contrasts between riches and poverty, to God Almighty. "It is," he says, "a condition which has always existed and always will, so long as God gives a high degree of brain power, initiative and industry to some and opposite qualities to others."

Nowhere in the article is the Christian idea so completely missed as in this paragraph. Are we to hold that God endows some men with exceptional gifts for their own advantage? Christ's doctrine is the opposite, as was His manner of using His own great powers. "It shall not be so amongst you," He said, "but he that is greatest among you shall be the servant of all." Why should any one part company with a church which asks concrete expression of that doctrine in the functioning of the economic system?

The widely prevalent belief that there is not a satisfactory distribution of the national income is answered in the *Open Letter* by giving extended statistics as to existing distribution. The number of farms and private homes ("half in each case being owned outright by those who occupy them") are cited; also savings depositors, memberships in building and loan associations, life

insurance policies, and the amount of the national income distributed in wages and salaries, as compared to entrepreneurial withdrawals.

It is an impressive exhibit, and relative to earlier stages of modern industrial society, an inspiring achievement. But these figures do not answer the question as to whether or not there is a fair and sufficiently wide distribution of wealth. They merely give some indication of the scattering of ownership. They do not indicate what percentage of the total ownership is concentrated in the hands of a relatively few persons. Lumping salaries and wages together does not give a true picture of the conditions of wage earners, because salaries include the large ones and as a rule all salaries are larger than wage incomes. They do not give an insight into the wages of unskilled workers, of seasonal workers, of workers in overdeveloped industries such as coal, or in backward areas.

The *Open Letter* makes no use of the studies of the Brookings Institution on America's Capacity to Produce, America's Capacity to Consume, The Formation of Capital, and Income and Economic Progress. These studies, which are recognized as conservative, reveal that 19,000,000 families out of a total of 27,000,000 have incomes less than $2,500; 16,000,000 less than $2,000; 12,000,000 under $1,500; 6,000,000 under $1,000. They point out that a "family income of less than $2,500 at 1929 prices was a very moderate one, permitting few of the luxuries of life."

But there is a harder picture which none of us should allow ourselves to forget. Of the 6,000,000 families with incomes below $1,000, mentioned above, the 1930 census revealed that 1,500,000 pay $10 a month rent and 1,300,000 from $10 to $14 a month. At the known rate of expenditure of one-fourth of the low bracket incomes for rent, these vast groups of families, representing 11,000,000 of our people, must exist on incomes ranging from $480 to $672 a year. These are the families which strain community chests and keep pastors and social workers sitting up nights.

The Brookings studies give exact data on savings. "Out of $15,000,000,000 of individual savings in 1929, as much as $13,000,000,000 were made by ten per cent of the population. The 2.3 per cent of the families having incomes in excess of $10,000 contributed two-thirds of the entire savings of American families; while the 59 per cent of the families having incomes under $2,000 saved only 1.6 per cent of the total. Sixty thousand families at the top of the income scale, with incomes in excess of $50,000 saved almost as much as

Harrigan lost a hand on this job

BUT MURPHY WON'T!



● Tough on Harrigan—ended his working days. Tough on the boss—he lost a valuable man. But it will not happen to Murphy. The firm's Workmen's Compensation insurance is now placed in Lumbermens whose engineers have surveyed the plant, installed safety devices, organized safety committees and engineered accident prevention into every operation.

SAFETY IS GOOD BUSINESS

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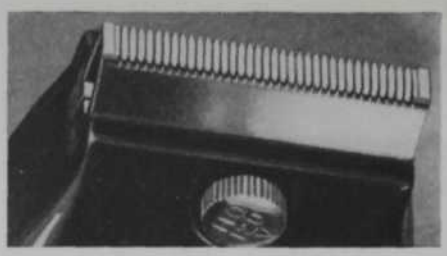
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25,000,000 families having incomes less than $5,000."

Where did this vast sum of savings go? Only $5,000,000,000 of the $15,000,000,000 saved could be absorbed "in new production issues, including farm and urban mortgages and net foreign loans." The balance was used in land speculation, and in bidding up outstanding securities, which pyramided them, and which in turn resulted in the collapse of stocks in 1929.

The same study reveals that, while production per gainfully employed person—technological advance—increased 18 per cent between 1922 and 1929, none of the advantages were handed on to the consumer. They were absorbed mainly by middle men. These, of course, are disquieting facts, but they are correctable. They explain the rapid development of Consumer Cooperatives.

Higher physical production

THE last volume of the studies, "Income and Economic Progress," brings out sharply another fact, which is probably its most important contribution; namely, that, figured on a conservative basis, which takes account of practical considerations with which business is inevitably confronted, the nation could have produced 20 per cent more than it did even in 1929. This, had it been accomplished, would have added $15,000,000,000 to the national income; which, if so applied, would have raised all annual family incomes below $2,000 up to that figure. The undercapacity operation since 1929 has amounted to $34,000,000,000 annually—a stupendous loss.

"As a general average," quoting again from the Brookings report, "over the 14-year period from 1922-1935, the productive mechanism by means of which our wants are supplied may be said to have run at little more than two-thirds of efficiency."

American business cannot afford to disregard this situation.

The study of America's product capacity, entitled "The Chart of Plenty," by Harold Loeb, Director of the National Survey of Product Capacity, and his associated technicians, reinforces the Brookings Institution's findings, and also reveals, as do the Brookings studies, the tremendous unsatisfied economic desires and needs of the populace. These desires constitute a vast potential market awaiting an industry which can concentrate on consumption as effectively as it has concentrated upon production. They make evident the absolute necessity of a great increase in production. The engineers' survey also goes beyond the Brookings survey in that it estimates what can be done by agriculture and industry set free to operate continuously at capacity with maximum of natural power, automatic machines and the most modern methods.

Many think we shall always have the poor with us. That wholly depends on whether we choose to have it so. These surveys make clear that for the first time in the history of the human race it is possible to abolish poverty. Our building industry could rehouse the families of the nation in less than 18 years if it were free to do so. Our people are short 33,000,000,000 pounds of milk over what they should consume, and yet we withdraw land from use. We could manufacture 550,000,000 pairs of shoes instead of 360,000,000, and 532,000,000 dresses for women instead of 206,000,000.

These possibilities must become actualities. Society cannot and will not wait indefinitely for their realization. To bring them to pass is, I think, the supreme function of business. As compared with personal ambitions and money-making, such an objective is on a higher level and incomparably more significant.

I desire in closing to appeal to business men to be on their guard against the Red Network propagandists. This amazing and widespread agitation has the psychology of the Know Nothing movement of Lincoln's day, the Ku Klux Klan, the Catholic Menace furor of a generation ago and the present anti-Semitic hysteria in central Europe. I counted 17 errors of fact and inference in the brief references to the Federal Council of Churches in the Red Network. Is not that enough to discredit any publication and any organization which circulates such literature? Men and sporadic agencies are springing up on all sides to cash in on these fears and prejudices. Such unfair and misleading agitation is socially dangerous because it creates divisions and animosities in the populace at a time when the imperative need is for the forces of the nation to work together.

Nobody can expect simple or immediate solutions of the situation which has arisen in this and other industrial nations: the social complex is too vast, too interdependent, too difficult to correlate; and the prejudices and misunderstandings of social groups and their clashes of interest are too great. Those who have any faith in an unseen creative Intelligence, who can be assumed to be at work behind the scenes, may well in humility seek to know His will and to receive His help. Probably, if it were possible to see as He sees, we should know that critical as are the times, they are fuller of opportunity than of danger.

The Ghost of Section 7a

(Continued from page 28)

portation concerns clearly engaged in interstate commerce. This suggested a disposition of the Administration to follow the course promised by the President and Mr. Madden, and to limit the application of the Act to the legally recognized scope of the federal power.

Since then, the Labor Board has changed its course. It has been intervening in labor cases involving manufacturing industries, and small, independent concerns. Although risking another constitutional barrier, the freedom of the press, the Board has intervened in the relations between a press association and its employees. The Board shows a disposition to mark out the broadest possible scope for its activities.

Such a contradiction between declared purposes and practices naturally confuses business men as to the true purposes of the Act and the obligations which are imposed upon them. This confusion is further intensified in the definition of more detailed policies and objectives.

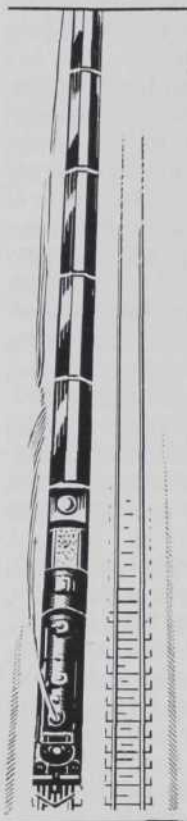
Intended to unite labor

CERTAIN broad objectives borne in mind by the framers of the Act are known. The first of these is that it was desired to match the supposed unity of employers by unity of labor. A second objective which the framers of the statute voiced was the desire to promote industrial peace.

More important than either of these purposes is the aim to eliminate employee representation plans completely. This objective is inherent in virtually every section of the Act, although it is not expressly set forth. At present, more than 750 corporations are operating with employee representation plans. These cover more than 2,500,000 employees, or nearly as many workmen as are enrolled under the banner of the A. F. of L. Employee representation plans, which are in no sense unions, although characterized by labor leaders as "company unions" are based upon the fundamental idea of cooperation between management and workers, rather than upon the conception of irreconcilable conflict of interest. Through its provisions designed so to circumscribe employee representation plans as to prevent their operation, the real object of the Act is disclosed to be to advance the development of trade unionism, along the lines sought by the A. F. of L. There is abundant evidence of this



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objective in the operations of the Labor Board thus far.

Both the framers and the administrators of the Act have indicated that they look with complete suspicion upon real cooperation between employers and employees as manifested in employee representation plans, and desire to throw the weight of the Government upon the side of labor unions. While numerous official statements at various times have left no doubt as to the intention to do away with what, for the sake of the record, are termed "company dominated unions," the Act's sponsors have succeeded in confusing the issue by making contradictory announcements as to its purpose.

Thus, as Chairman Walsh, of the Senate Committee on Education and Labor which reported the bill, said:

> First of all, it does not require or request any employee to join any organization of any kind, shape, form or character. Secondly, it does not seek to encourage or bring about the establishment of any labor organization under any employer where there is now none.

This quotation flies in the face of the assertion of a member of the Board to the effect that the company union was "a broken reed" for the purpose of promoting unionization of industry, which he saw as the objective of such legislation.

This extinction of employee representation plans and the substitution of unionism is inherent in the terms of the Act. No matter how cordial or happy are the relations between a particular employer and his employees, he cannot, in practice under the provisions of the law, defend that relationship against the invasion of outside professional union organizers without risking punishment.

In juxtaposition to the purported aims of the bill as defined by its sponsors, the course which the Board has been actively following since its appointment is subject to even more confusion.

One of the cases which the Board has dealt with concerned a jurisdictional dispute between two unions, both affiliated with the A. F. of L. In this case the Board refused to rule which union was the majority union for purposes of collective bargaining, to avoid settling the jurisdictional dispute. Such cases, the Board said, were proper subjects for the A. F. of L. to settle.

This is considered a significant point, in view of the fact that a bitter rivalry exists between two types of union, the craft and the industrial union. For a government agency to rule which union should be recognized might minimize the probable dislocations caused by this rivalry. The Board indicates no willingness to use its powers to lessen this source of disputes. Therefore, in that respect the Board is not conceived of as an agency for promoting peace in labor relations. It has dodged the issue of craft versus industrial unionism when confronted with it.

In this connection it is noted that the Senate, at the instance of the Administration, defeated an amendment proposed by Senator Tydings to protect workmen in their right to organize against the coercion of other labor unions. Administration leaders said, in substance, that they were interested in protecting labor from coercion only when it came from the employer. Such a stand likewise does not appear conducive to industrial peace.

"Bargaining" in various phases

TWO cases particularly illustrate the direction in which the National Labor Board is going. One is that of the Columbian Enameling & Stamping Company of Terre Haute, Ind. This concern concluded an agreement with an A. F. of L. affiliated union in June, 1934. Long before its agreement expired, the union demanded a closed shop, although the agreement did not mention the closed shop.

Persisting in its demand, the union finally precipitated a strike four months before its agreement expired, and tied up the employer's factory for four months. In the course of the dispute, other unions in Terre Haute struck, the militia was called out, and labor strife was widespread and bitter.

Eventually the employer got together a crew of men and reopened his factory. He refused to accede to the union's demand for a closed shop and thereafter refused to recognize the union which had broken its contract.

The National Labor Relations Board ruled that the employer had engaged in an unfair labor practice when he refused to bargain collectively with his union on the closed shop issue. The employer was ordered in February of this year to dismiss all new employees he had working for him since last July, or virtually his entire force, and to restore the former union employees to their jobs. He was further ordered to recognize the old union.

In one of its most recent cases the Board took an even more extreme position. This involved the Birge Company, wallpaper manufacturers of Buffalo. The company had long operated under an agreement with a union representing certain skilled craftsmen. Last summer it participated with a group of competing firms in the negotiations involved in executing a new annual agreement. When the employer representatives

rejected a proposal for a wage increase, a strike was called. Ultimately, the union receded from its demand. Meanwhile, however, the Birge Company had obtained some new employees to fill places left vacant by the strikers and had guaranteed to several of them steady employment for a year. Before it engaged the new workers, it offered immediate reemployment to the strikers.

The Board ruled in this case that, in the course of the strike, the company had refused to bargain collectively in accordance with the requirements of the Act. It ordered the company to offer reemployment to the striking workers to the extent that their previous positions were held by persons employed since the strike occurred. This decision went altogether too far for the Board's chairman. In a dissenting opinion he said:

> I think the decision amounts to a holding that an employer whose employees have struck, not as a result of any unfair labor practice on the part of the employer, is legally obliged to close his plant for an indefinite time while he negotiates with the strikers for their return to work. I see no such provision in the statute. If it is successfully read into the statute it will have the effect of inducing unions to call strikes without first taking careful stock as to whether their economic power is sufficient to bring the employer to their terms.

Whether an Act of this character can be sustained in the courts is doubtful, especially in view of the recent decision of the Supreme Court on the Guffey Coal Act. In ruling that the labor provisions of the Guffey Act could not be upheld under the commerce powers of the national government, the Court said:

> The employment of men, the fixing of their wages, hours of labor and working conditions, the bargaining in respect of these things—whether carried on separately or collectively—each and all constitute intercourse for the purposes of production, not of trade. The latter is a thing apart from the relation of employer and employee, which in all producing occupations is purely local in character. . . .
>
> Everything which moves in interstate commerce has had a local origin. Without local production somewhere, interstate commerce, as now carried on, would practically disappear. Nevertheless, the local character of mining, of manufacturing and of crop growing is a fact, and remains a fact, whatever may be done with the products.

Notwithstanding the clear implications of the Court's language, however, the National Labor Relations Board has shown no disposition to change its course in conformity with the decision. As a consequence, employers may expect continued Board interference in relations with their employees.

This legislation not only has an uncertain basis in the commerce power, but involves a possible clash with the due process clause of the Constitution. Under the Act an employer is required to deal exclusively with the collectively bargaining agency representing a majority of his employees. This appears to go a long way toward illegally depriving industrial management and individual employees of freedom of contract.

The law also permits a union to enforce a closed shop agreement upon an employer, if it is able to do so, and thus forbid employment of nonmembers of the union, and even require the dismissal of existing employees who are non-members, as has already been done under the Act. This also appears to infringe upon the rights and liberties of minorities, who, furthermore, are deprived of any representation in collective bargaining, once a union has been certified by the National Labor Relations Board as the representative of the majority of employees.

No redress on employer

IN still another respect the Act appears to violate due process. An employer is denied recourse to the courts, in the case of a Board-sponsored election, until after the Board has come into his plant and held the election to determine what organization may speak for the majority of workmen. The employer must undergo all the attendant loss incident to a union organizing campaign without legal protection.

These are questions which might subject the Act to an adverse Supreme Court decision on the further grounds of conflict with the due process clause.

Thus far, the lower federal courts have divided on questions involving the Act. Most decisions cited by the Board as "upholding" the Act have been confined to points of procedure. Some of the district courts have refused to restrain the Board from conducting investigations on complaints about unfair labor practices and from holding employee elections.

On the other hand, a number of courts have enjoined investigations and elections, and two courts have gone further and declared that the Act was unconstitutional and violative of due process

Meanwhile business must put up with conflicting decisions in the lower courts and a determination of the National Labor Board to project its activities in every local industry it can reach. The uncertainty as to the federal labor policy and law will not be settled until the National Labor Relations Act comes before the Supreme Court for review, which probably will not be before next fall.



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Restless John Lewis

(Continued from page 26)

He will organize steel, automobiles and rubber. If he can succeed in these three fields, he will speak with a voice that cannot be ignored. Just as management in these three industries takes on unusual significance, so can labor leadership. These three fields, although not exactly virgin soil, are not organized, and management is sufficiently powerful to resist organization if it so desires. And except for rubber, labor in it has, thus far, resisted organization.

It is to this field that John Lewis addresses himself. He has already offered to contribute $500,000 to this purpose of organizing the steel industry. And he has the law on his side if the National Labor Relations Board chooses to disregard the employee representation plans and company unions in the steel industry, some of which date from 1918.

The older leaders are a bit fearful of stirring up this hornet's nest, because if they call strikes in these industries and the workers fail to respond, or the employers close down their plants, organized labor may receive such a drubbing as will set it back for a decade. But the Lewis group have little to fear, for they can throw the failure back into William Green's teeth. They can say that the failure was due to his unsympathetic attitude. They can even go further and throw the entire contest upon the faltering shoulders of the National Labor Relations Board and force the Government to decide where exact justice lies. Even if Lewis is utterly routed, he can go back to the United Mine Workers and be a leader there. He has nothing to lose.

In fact, after the support which the Lewis group has given and is giving it politically, it is difficult to see how the Administration can possibly fail to respond favorably to Lewis' conception of unionism. It falls well within its theory of industrial relations to support him. Let me restate that theory:

> The worker is entitled to collective bargaining by representatives of his own choosing. Company unions and employee representation plans do not represent the worker's own choosing. Therefore all workers should belong to labor unions in which the leader is in no way associated with management. Therefore, he must be an outsider. Therefore, he preferably comes from the American Federation of Labor.

With this as the Administration premise, we next reach the point that, by political and personal association, John Lewis and his group, which includes Sydney Hillman, is closer to the Administration than William Green and his old-line leaders. They have evidences of a wider influence with all the agencies of Government associated with the labor problem.

The American worker has become fearfully restless under the pressure of this struggle for personal power. The worker reasons that he might get it one way or the other. If he stands by a company union, and the N.L.R.B. recognizes an A. F. of L. union, he may even lose his job. If he stands by the A. F. of L. and Lewis wins, he may get into trouble. If he joins an A. F. of L. union, and a strike is called and lost, he may find himself among the unemployed.

Workers are perplexed

THE smaller labor leaders, the business agents and shop chairmen find it hard to decide. Every union is split on this question. No union can avoid it. Money is apparently being spent for propaganda, and the virus of self-interest poisons every labor organization. Men just don't know what to do or whom to follow.

And it will be found that because of this situation and in spite of the split in the socialist party, that the aggregate leftist vote in the next election will be astonishingly large. Many workers who were not and are not socialists or communists are turning away from orthodox labor leadership to more radical leadership in disgust. Of course, other workers, those who remain in company unions and employee representation plans, are conservative, but of them I do not speak in this article. I speak of the so-called organized worker and he is fed-up with the political tactics of labor leadership. And therefore he goes to the left.

John Lewis' One Big Union, under himself, enforced by the National Labor Relations Board, will probably fail to materialize because labor itself, on the whole, resists it. The leftists fear it as a fascist scheme; the conservatives ignore it. But whether it fails or not, it will lead to strikes, to sabotage, to disrespect for the justice of Government and to a retardation of recovery. It will not lead to a bloody revolution, but it is increasing beyond measure an ugly restlessness in industrial relations.

John Lewis, himself, moves to the left as he finds himself increasingly out of accord with his former associates. Compare the difference of expression between Green and Lewis in reference to the Supreme Court's decision in the Guffey Case to grasp how far Lewis has moved away.

Green said:

> The decision is very disappointing. It emphasizes the growing need of organization among the workers.
>
> After all, we must rely on our economic strength. If we cannot enact legislation of this kind in an orderly way, we will be irresistibly drawn to use our economic power; that can be done only through thorough and complete organization; the more thorough and complete it is, the greater will be our economic power.
>
> The decision emphasizes the need for labor to unite in all fields better than before.

Lewis said:

> It is a sad commentary on our form of government when every decision of the Supreme Court seems designed to fatten capital and starve and destroy labor.

But William L. Hutchinson, head of one of the powerful craft unions, The United Brotherhood of Carpenters and Joiners of America, said:

> I only hope that the United Mine Workers will realize that only by organizing will they get anywhere and that they will have sense enough to stay in their own union and use their own economic strength and not depend on the Government to get something permanent for themselves.

Imagine a worker, after six years of depression, faced by rising living costs and by increasing taxation which inevitably affects his family budget, badgered by this type of organizational row. What does it all mean, he wonders. Where will it leave him when the barrage is cleared away? In prosperous times, such a row might not worry him so much because his savings might help him over a period of strikes. But today the worker is weary of strikes and of short pay and of uncertainty.

Yet the American worker does not know how to save himself from this leadership. The employer can tell him to pay no heed to the excitement of this situation and to go on with his work. But the worker is not sure. He sees too much evidence of official intervention in industrial relations. Too many government field workers are on the job giving him conflicting and confusing advice. Too many speeches are made, encouraging him to doubt the wisdom of any of the speakers.

The American worker is not a forgotten man; he is a frightened man. He is frightened by too much attention. He is frightened by too much politics. He works to earn a living but he is being used as a straw man in politics. And when the game is over, won't the straw man be kicked all over the lot? He is beginning to wonder.

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Watch the Plastics!

(Continued from page 20)

cold, shaped under great pressure and then baked for several hours. Made of inexpensive raw materials, the cold-molded plastics are more cheaply and more quickly molded than the phenolic resins and, although more brittle, not as strong, and without great possibilities for color or finish, they take first place among plastics for heat-resistance. In fact where cement is the binder, the product after heat curing is refractory and looks like porcelain. When the binder is phenolic, the material is not refractory but offers a better, less purely utilitarian appearance. The cold-molded plastics are also used in connection with heating units in electric stoves, in rheostats, for heater plugs, switch bases, wiring devices, and heavy electrical parts. Three big names hanging on the cold-molded branch of the plastics family tree are General Electric Company, Cutler-Hammer, Inc., and Garfield Manufacturing Company.

The cast phenolic resins, unlike the molded phenolic plastics, are not compressed. They are made by condensing those two old household chemicals, phenol (carbolic acid is its other name) and formaldehyde—and casting the sluggish, viscous mixture in lead molds to be heat-cured for from three to six days. After curing, the castings are knocked from the molds in the shape of blocks, rods, and special shapes.

Well endowed with all these virtues which a good plastic should have, the cast phenolics take the blue ribbon for beauty or color. Catalin Corporation of America, biggest factor in cast phenolics, comfortably secure in a snug berth of American patents based on original Austrian processes, calls its product "Catalin,"—"The Gem of Modern Industry." The cast phenolics are produced in gem-like colors either translucent, opaque, mottled, flecked, or crystal clear.

Largest use for Catalin is for buttons and buckles, and costume jewelry which together took probably at least a fourth of Catalin's 1935 production. Catalin officers note happily that, when fashion dictates little jewelry, women wear lots of buttons and buckles and vice versa. Furniture and automobile hardware are other Catalin outlets. Recently a new market has been growing up in architecture. Panels of Catalin sliced thin from cast blocks, illuminated from behind by neon lights, or as veneers, are being used for modern decorative effects. Produced also in a liquid form, Catalin has a big market for laminating purposes and for the impregnation of wood and textiles.

It is the laminated plastics, not the molded, nor the cast, which enjoy the largest sales volume among the phenolic plastic materials. Laminated materials probably have the most stable industrial market. To make laminated plastics, sheets of paper, linen, canvas, or silk are impregnated with liquid resins, piled flat on heated plates in great hydraulic presses, and compressed to thickness which range from that of a piece of paper to that necessary for the fabrication of industrial gears or wall panelling. Rods and tubes are made by rolling laminated plastics on mandrels.

Laminated gears for many uses

USES for the laminated plastics range from airplane propellers to table tops, from instrument panels to gears and pinions. Laminated gears are popular because, when coupled with metal gears they are noiseless, they give positive drive, they reduce strain on machinery by cutting down shock and vibration, they are acid-resisting, and water-resisting, can be lubricated with water instead of oil, an advantage in textile manufacture in that oil might ruin fabrics.

You find these gears, too, in automobile timing apparatus, in lathes, power presses, printing presses, "movie" projectors, calendaring machines, air compressors, hoists. About half of the laminated output goes to the radio and electrical equipment industries, with automobiles also an important customer.

Westinghouse and General Electric may do as much as half of the laminated plastics business, each absorbing itself as much as half of its own production. Other big names include the Continental Diamond Fibre Company and also the Formica Insulation Company which has hooked itself up chiefly with the architectural applications.

Beside the laminated there are the plastics in their liquid form, which, in addition to their first importance as a material in the manufacture of laminated plastics, and to their wide use as a base for paints and varnishes, are used to impregnate wood and textiles, and as a binding agent to unite a thin veneer of beautiful plastic material (simulating wood or marble, for example) to some coarser, less expensive base for decorative purposes. Used for impregnating wood, liquid plastics (or resins) make for a high degree of fire resistance, decrease moisture absorption, give a harder surface, greater resiliency, and greater resistance to all common acids, as well as oil. Typical applications are brush backs, sporting goods, handles of all sorts.

Textiles impregnated with liquid resins are less porous, stiffer, have a glossy finish, are highly water-resistant, and are much less inflammable. The liquid resins do not affect the basic textile colors and they are odorless.

Following the cast resins which did not begin to get under way until around 1930, came the urea-formaldehyde plastics, event of the early thirties. Like the molded phenolic resins, the ureas are used for the fabrication of molded articles produced in similar molds, in similar presses, at similar temperature. Urea's big feature is its color. While the natural dark opaque brown and black phenolic resins have, by virtue of pigments, been given color, the ureas, naturally a translucent ivory, may be made in whites, pastel shades, and bright solid colors.

Uses for ureas tend to duplicate those for phenolic resins. One new development is the manufacture of scientific light reflectors in lamps approved by the Illuminating Engineering Society.

The three names in the urea field are: Plaskon, Inc., Toledo Scales subsidiary ("Plaskon"); American Cyanamid Co. ("Beetle"); and Unyte Corp. ("Unyte"). The basic chemical urea has been almost entirely imported from Europe but it is now being manufactured by du Pont. Like the phenolics, the urea resins are mixed with a filler before molding. Urea's filler is refined high-grade wood pulp.

Romance of the plastics has stormed and captured the imagination of the every-day man, the business man, and the manufacturer. That this fine enthusiasm may be blind to the problems in plastics' future is not impossible. Other materials have heard about what the plastics are doing and may develop new ways of using old materials more economically to the detriment of individual members of the plastics family, although the family itself must inevitably prosper.

Among the plastics themselves there may be a dark horse which will upset today's balance. Perhaps Henry Ford will come through with his idea

for soy bean culture and produce a new and cheaper plastic material.

As a matter of fact already a new type of molded plastic has appeared, known as Wilsonite, a product made by processing waste paper or other fibrous materials into a pulp which is sucked into molds, formed, baked, and finally treated to a chemical bath which gives the material a hard water-proof surface. A light-weight, durable, generally acid-resisting, low-cost, raw material of high tensile strength, now entering its commercial phase, it is suitable for the manufacture of almost everything.

New methods of fabrication also for today's plastics may unsettle current relationships between them. Already several companies are growling at each other over injection molding, a method which speeds production and cuts the need for investment.

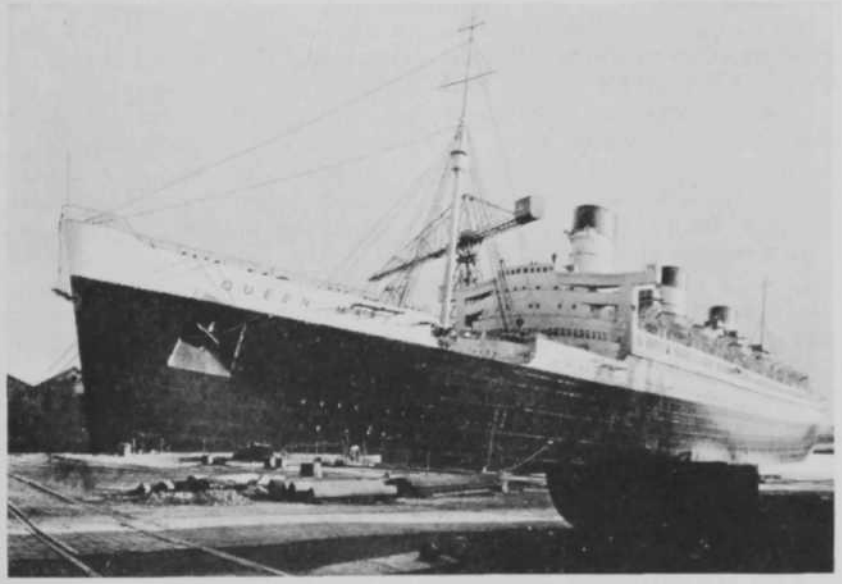
Constantly seeking new uses

PLASTICS have not yet reached their adolescence and the best years lie ahead. But the rate and character of the industry's development will depend a great deal upon the ingenuity of the research staffs and the energy of the sales organizations in promoting new uses for plastic products, building volume, and achieving lower costs. In time, romance will cease to be romantic and become familiar, no longer the salesman's ally.

Plastic producers know this and are working, independently or in conjunction with fabricators, to find new things to do with plastics. Celluloid Corporation had a head start and takes credit for having applied the plastics to such everyday articles as toilet ware, lampshades, tool handles, phonograph records, and novelty jewelry. But it admits that important applications have originated with people outside the industry. One striking example was non-shatterable glass consisting of a sheet of cellulose laminated between two sheets of glass.

Bakelite and General Plastics feel that between them they have developed most of the new markets for molded plastics which have been opened up in the past ten years. General Plastics itself claims development of the packaging market. One of its salesmen years ago thought of making caps for collapsible tubes such as tooth-paste comes in. The idea was sold to E. R. Squibb & Sons and soon everybody was using plastic caps. General Plastics was pleased

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Those shipping their products to England were the Chicago Pneumatic Tool Company, the Standard Oil Company of New Jersey and the Quick Edge Manufacturing Corporation.

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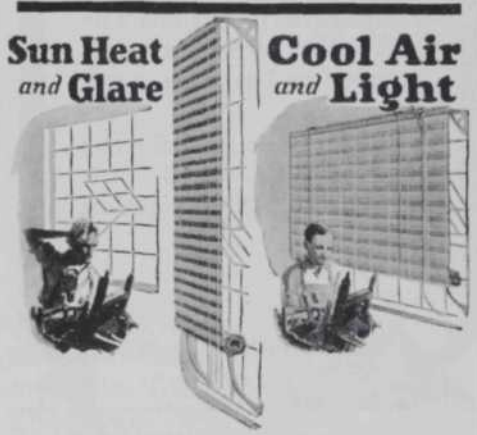
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because, although so many things plastics go into, like telephones, are used almost permanently, caps represented a replacement market.

At the same time the packaging market was coming to full development, radio production was down, automobile production was down, and a number of molding plants were almost idle, according to General Plastics. But "packaging was on the ascendancy and we concentrated on it and at least five of our customers (fabricators) were kept busy where they probably would have been closed."

Then there are cameras. Practicability of the notion, first questioned, is now proved by the fact that last year Eastman Kodak sold about 8,000,000 small inexpensive cameras with molded cases.

Office machinery is another market which plastics manufacturers are after. A few years ago office machinery people weren't very busy. Typewriter sales in particular were down. It was General Plastics idea, again, that if they could offer the office machinery manufacturers some new design and a new material, they would have something to talk about from a sales angle as well as that of profitable production economies. Five new applications of plastics have been developed with one of the largest business machine companies, according to General Plastics, and several others are on the way.

General Electric and Toledo Scales are proud together of the new Toledo Scales, the housing for which was molded out of Toledo's urea resin Plaskon. Old scales which were replaced, weighed about 155 pounds, too heavy to demonstrate easily. Storekeepers found them hard to move. Of a complicated shape, much assembly work was involved in their manufacture. In contrast, the new scale made of Plaskon weighs about 55 pounds and can be easily demonstrated, easily moved. By the molding process, the complicated form can be struck off in one piece and, as the color extends way through the material, lasting appearance is achieved.

The General Electric-Toledo effort is significant, not as much because new scales were built but because the way was opened for large moldings which may in time be suited to all manner of casings, housings, boxes, cabinets, covers. Already it is reported the experiments with plastics are being made to mold auto body panels.

Another outstanding example of a new use for plastics was tableware developed by American Cyanamid as an outlet for its material, "Beetle."

Formica Insulation Company is justly pleased, also, with its success in adapting laminated plastics to decorative and building purposes.

Formica tells its progress this way: Radio set manufacturers in the early days used a laminated panel on the front of their cabinets which was nearly always black. Then there came a cry for a material to match the wood of which the rest of the cabinet was usually made. Such material was developed and sold for several years exclusively to radio manufacturers. Then some one got the idea if you could make a wood finish, why not a marble finish which, because of its resistance to heat and acids, would make a fine table top. The marble finish having been developed, it was discovered that many designers objected to any imitative finish and wanted something that would stand on its own and not imitate anything. Formica developed flat colors, then inlays. Result: a new modern material.

Initiative like this in the plastics industry is not rare. Motivated by competition to discover new, better, and better-looking products which may be more economically manufactured, chemists and engineers will continue to exercise their ingenuity in favor of the plastics.

Watch the plastics!

Coming in August

★ ★ ★

The Unfinished Business of the New Deal

By Mark Sullivan

What further changes business may expect if the people approve in November the economic policies recently set in motion by the Government. A forecast from documentary evidence.

Prices are Wiser than Men

By Herbert Corey

The age-old malady of price-fixing has broken out again. It is manifested in recent legislation and in proposed new legislation. In an interview, Dr. Benjamin M. Anderson, Jr., economist of the Chase National Bank, explains why these efforts must always fail.

Tahiti or Typewriters

By Joseph Nathan Kane

"There is more romance in your office than you would find in the far places of the world in a month of Sundays."

The Iron Whim of the Customer

(Continued from page 38)

ket is housed in an immense, snow-white refrigerator. Beyond the harness counter are enormous rounds of yellow cheeses. After cheese come candies in well-wrapped profusion. There is an autographed photograph of a customer who lately slew five moose with seven shot. Beyond that is a rack of assorted rifles and shotguns, and beyond that Cellophaned mounds of heavily powdered marshmallows surmounted by a "life-tinted" photograph of Constance Bennett backed by a generous assortment of Smico Rat & Mouse Killer.

The customer rules

"YESSIR, the basic principle of crossroad storekeeping, as I see it, is to find out what the customer wants and get it. That's a tricky and never ending job. The storekeeper must know considerably more about what the customer is likely to want than the customer himself knows. He must keep track of changing ideas and appetites. Twenty-five years ago one of my biggest profit lines was crockery—earthenware. Now it's patent cereals—breakfast foods. I can sell out a $500 stock of them in a few weeks. Nowadays a $500 stock of crockery would last me 20 or 30 years."

He rested an elbow on a mound of egg crates, fingered a box of mentholated flannel underwear still in querulous demand by old-timers with rheumatic symptoms. He propped a left foot upon an ocean blue wheelbarrow loaded with manure forks.

"Remember this, son. You can plan all you like. You can daydream, you can opine, you can hope. But in merchandising a man just bobs along like a chip in a fast-moving creek."

Beyond the highly modern cash register is a glass showcase filled with bread. Until recently country stores never thought of selling baker's bread. Farmwives were their own bakers. Now home baking is a dying craft. Therefore crossroad stores sell baker's bread by the millions of loaves, along with cakes, buns, tarts, pies and rolls.

"Look at those angel food cakes! I was onto 50 years old before I ever tasted 'em. Now my wife uses store-bought cake because it's most as cheap as bread."

Hastings Williams gazed out a well-screened window, noted his reflection in an immaculate showcase.

"I have to keep looking and listening, and now and then pinch myself to remember that even farm life changes. Being born and raised in this countryside, I know something of its ways and needs. I know when and how to be ready for the hayfork season, the maple syrup season, for spring plowing, rubber boots time, work-glove time, for wood-drawing, pig-killing and log-rolling seasons, for heavy unionsuit time.

"My father was an old-time farmer. To him the store was only a sideline and hobby. He drove ox teams, drew logs and plowed with 'em. Even after all the neighbors had gone in for horses, he kept with cattle. I grew up in an ox age, sort of unmindful of the horse era that was going on all around me. By the time I got horse-minded, as you might say, here we were smack down into an auto age! But I try to encourage myself in wanting what other people want. I reckon that's the merchant's real secret of livelihood—if you could call it a secret."

Perennially speaking, Hastings Williams is neither an optimist nor a pessimist. He seeks medium grounds and medium views. Watching the never ending parades of changes, he classes some as good, a great many as bad. There is the automobile, for example, epitome of vital transition of all America, both rural and urban.

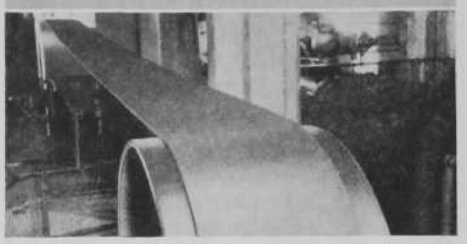
Keeping pace with changes

HASTINGS WILLIAMS owns an auto, enjoys it. He has watched the acquisition of autos by practically everybody and everybody's cousin. He has watched autos, placed upon auto-highways, relieve the crossroad store of a great deal of its habituated trade. Yet he has watched the auto bring new trade to his store—gasoline, tires, accessories, and the touring customer. He has striven to keep pace with an auto age, even though the pace has increased from a slow canter to an uproarious and sometimes unseeing whiz. On a basis of trade volume his store has been able to replace lost demands for harness, sleighs, buggies, wagons, and teamster's goods with the numerous items of auto ware.

A festive drummer invaded the doorway, shouted salutations, and called the store a free service station. A distracted female who had just banged her auto into a logging truck scurried among the counters and cases, requesting tearfully that Hastings Williams step to the telephone and call a wrecker and tow car; also that he report the accident to the state police; also that he make it clear that she is and has long been

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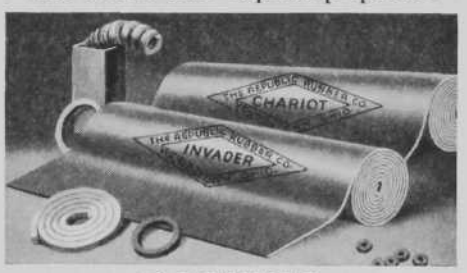
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an excellent driver, and that this one time she somehow couldn't turn out of the middle of the road because her tires were too full of air.

He telephoned twice at an unremembered expense of 30 cents in long-distance toll. Hardly had he hung up when a town banker phoned for a personal testimonial on the financial character of a local citizen. Hastings Williams gave it. Then a tax assessor called to inquire after the productive record of a nearby and delinquent farm. These, as any one may surmise, were but casual and customary garnishments of the crossroads day, the uncounted favors which keep the merchandising hand upon the intimate pulse of trade and of humanity.

Motley assortment of goods

FREE favors were followed by a momentary deluge of trade. I strolled backshop, between two prolonged racks of harnesses, bridles, horse collars, and miscellaneous leather. The top of my head scraped lightly against the base of a suspended plaster plaque of Paul Revere arousing rural New Englanders to strike down the tyranny of Britain. Beyond the plaque is a boldly lettered wall-motto which reads "We Believe that Truth is a Business Asset." Beneath the motto is a canvas of an extremely white clipper ship sailing an extremely blue and tranquil sea, which being frameless, merges rather spontaneously into a wall display of auto chains, paint brushes, crosscut saws, bathrobes, hats, and garden seed. At the foot of the display wait individual barrels of axe handles, vinegar, and lima beans.

I strolled up a back stairs that leads to the second-floor storage room, to the third-story "left-overs" room, to the high old attics. The business floor can't hold all the goods in stock. That's a job for all the aging and lasting building. On the storage floors and in the attics one finds magnificent miscellanies; odds and ends of other years; diverse anthologies of common needs and common discards of past decades and generations.

There is a random and reasonably well-dusted profusion of chinawares and crocks; window glass, ancient and sombre of lead; coils of well rope, outdated tobacco cartons, nurseries of swinging oil lamps, no longer polished, but retentive of Victorian ornateness. There are spinning wheels; remnant shelves of toys and marbles; out-dated baby clothes, soaps, starches, oils, ointment, housepaints, stoves, and ranges, high collars, stiff shirts, and gay fedoras. There are crates and boxes of popcorn, obviously home-grown; bags of dairy feed and grains; bolt goods, spools of colorful hair ribbons, boots, shoes, sealing wax and kraut barrels; good purchases and bad purchases.

I saw tonics and root herbs, odorous salves and patent medicines with declamatory claims, containers of pink root. Hastings Williams isn't at all sure that he knows what pink root is for, whether it be a panacea for man or for cow. It is merely one of the many thousand remnants which have accumulated in the merchandising course of the past century. I picked up a box of gum opium, dated 1829, and used in a day when chloroform and more modern anaesthetics were altogether unknown; used as painsoother for a sometimes painful frontier, wherein women in childbirth were still eligible to great pain, wherein wounds and fractures could be synonymous with excruciation.

I heard footsteps. Hastings Williams joined me, led me to the shoe storage, fetched out a pair of boots, hand-made by a local and old-time cobbler from the home-cured hide of a home-raised steer. The leatherwork is immaculate. Tops are beautifully stitched and tooled. Waxed soles are held in place by neatly driven wooden pegs.

Home-made products

"THESE boots were made by old man Hanner who lived the far side of yonder cow pasture. He was the last of the home cobblers of this countryside. He made boots and shoes only for neighbor people; raised his own calves and steers, slaughtered 'em, peddled the beef, cured the hides, and when farm work slacked, made boots and shoes. A while before he died, the old man got elected to the state legislature. But he wouldn't leave home until after he'd cured hides and filled his orders for winter boots.

"Yessir, I wish we had more of his kind. I've always wanted to sell more home-made goods, merchandise that doesn't have to be packaged and topped with a fancy label and lots of fancy advertising to find a market. I like the home-craft quality, the personable goods that live and therefore sell without shouting and band music.

"Down in front you see a pile of home-made baskets. The man who makes those baskets is an old-time timber man. He cuts his trees, rives his splints, and weaves baskets on his own front porch. A little basket takes him a long day of work. A big basket or a clothes hamper—that takes three or four days, maybe a week. Once finished, the work is beautiful. It lasts a lifetime because it's built of honest, home-grown stuff. I could sell five times as many baskets

as he can make. But he won't bring me more than he can make well, and I don't urge him to."

Hastings Williams believes that the crossroads store, as well as the town shop, is a logical sales point for the worth while harvests of homecrafts, now that old-time handicrafts are returning to popular interest. He believes that the crossroads store may also prove a feasible commercial ally to the small or beginning factory, or the countryside workshop, since the crossroads store can frequently afford to buy merchandise in small quantities and to sell occasionally to neighbor people.

Hearing customer footsteps below, we returned to the deck of business. As we tramped down the stairs, the storekeeper said:

"Because we keep comparatively small volumes of stock, some folks say that the crossroad store has narrow boundaries. I say that's wrong. I say we've got broad boundaries—as broad as life itself. The crossroad store can be an actual part of the life of its countryside. These shelves—they are what you might call the real, visible, touchable life-story of my people—the real story of what they eat, wear, give, and keep."

A party of picnicking tourists, poured rather tightly into khaki breeches and unpliable boots, wanted the ingredients of a simple spread. They wanted Russian sardines, ripe olives, and possibly some caviar or exceptionally nice roe. Hastings Williams shook his head, witnessed abrupt exits.

"There's no such things as dead-sure merchandise. There's no such thing as dead-sure advertising or dead-sure selling. In this trade a man has to look, think, listen, feel, and hope for the best. Back about the time I finished Goddard's Academy I was sure and certain about lots of things. I was 17 then, and life and business looked simple.

"Since then there's been considerable births and deaths and changes. Considerable water has piled under yonder bridge. And I've sort of stopped being absolutely sure of anything. I'm not even sure that the place and use of the crossroads store are permanent. I believe that it is about as permanent as any other business—more steady than some. I believe it'll last for the rest of my lifetime. I got a nephew that works for me. It may last through his lifetime, too."

Fourth of July—Made in U. S. A.

(Continued from page 17)

freely. When the price gets too low, sellers refuse to part with the goods they have on hand and cease making more goods. Farmers who can't get what they regard as adequate prices for their products plant fewer acres and send their sons and hired men to the cities to seek work in industry. Did you ever wonder how it happens that in normal years there are approximately just about the right number of barbers, manicurists, farmers, professors, and preachers? The prices did it.

"Prices, wiser than any man who helps to make them, guide and control the economic activities of men," says Dr. Benjamin M. Anderson, Jr., in a recent pamphlet published by the Chase National Bank of New York.

But remember that the prices must be dictated neither by government nor private combines. Fortunately, prices can beat any private monopoly because its resources, however large, are limited, whereas the Government's resources know no limit until the citizens have been robbed of every last penny.

As I said in my opening paragraphs, these thoughts excite me at this particular time of the year, and having so recently observed the plight of our neighbors across the Atlantic, I am wondering if my countrymen know what they are doing when they listen to proposals to trade genuine national prosperity and freedom for political promises which definitely curb freedom and opportunity.

These thoughts are not new with me because the record will show that in this magazine and in this space ten years ago I had an article entitled "A Fourth of July Speech—New Style." In that article I said:

> The 100 per cent American dies in harness. He desires no monument other than his works as a producer. The American understands that a first-class executive can do more good at the head of a great corporation than he can by making poor speeches or writing worse poetry. No greater calamity could befall this nation than that its business geniuses should resign their positions to direct symphony orchestras and little theaters. The 100 per cent American understands this and he laughs at his European-minded compatriots who go in for uplift. . . . This civilization will not express itself until those who are repressing us let us do things our own way. The influence of European traditions is still so strong that we are hobbled by them. When the straps are cut, watch out! Then we shall have American literature, American art, American drama, and a hot time in the old town. The expression will not be marked by dreariness and despair, but by hope and ecstasy!

With that I rest my case.



HOT?

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BETTER WORK

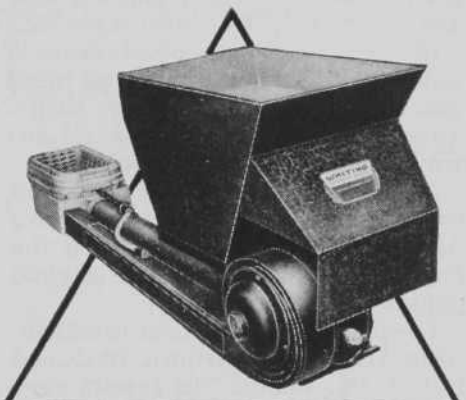
Mr. Faig says no time is lost any more on account of a cold building. Even temperature 24 hours a day.

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The labor expense of firing has practically been eliminated, according to Mr. Faig. Isn't this worth looking into?



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Armco Workers Learn to Save

By HUGH W. WRIGHT

ONE company's workers adopt a plan which is proving doubly useful to them—it meets their emergencies and encourages thrift

ACCORDING to the textbooks, the success of any business hinges upon three fundamentals: first, the need for the product or the service; second, the quality of the service or product; third, the price charged.

Almost four years ago, when the depression was darkest, the employees of The American Rolling Mill Company launched a business of their own. On January 1, 1936, the total volume of business transacted had reached $1,007,610, paid-in capital totalled $412,039, and liberal dividends had been paid to the investors.

In the life of every man unexpected emergencies arise which involve out-of-the-ordinary expense. Of course, the ideal procedure would be for each individual to be thrifty and accumulate a savings account to meet these unexpected needs. But human beings are neglectful. The result is a need to borrow money if these unusual bills are to be met. The business which Armco employees organized makes it possible to borrow money at these times and also encourages thrift. These are the two fundamental advantages of the credit union plan.

It was started at Armco in a small way. Fifteen employees of Armco's Ashland, Ky., Works organized the first unit in July, 1932. Their original paid-in capital was $71.

Credit unions were then established in Armco's Middletown, Ohio, and Butler, Pa., plants. The results have been uniformly gratifying.

Armco's experience with the credit union in these three plants demonstrates that industrial employees possess unusual business ability in safeguarding and handling their own funds. Under the Armco plan, each plant unit has its board of directors, elected by the membership. These men are entirely responsible for the success of the business. The secretary-manager reports to them. His duties include accepting applications for loans as well as the necessary accounting work. To speed up the passing on loan applications, the board appoints a credit committee which meets once each week. When special needs arise the application receives immediate attention.

In financial circles, it has long been an axiom that the best place to get an accurate appraisal of a man's credit is the community where he lives and works. His neighbor always knows his reputation. For this reason credit union officials have made a minimum of bad loans. They work alongside the applicants and they know their men.

The total loss incurred by all three Armco Credit Unions since they were organized is but $15 and 9,851 individual loans have been made—many of them character loans for less than the minimum requiring endorsement or collateral. This unusually small loss is partly due to the fact that each borrower signs a contract authorizing the credit union official to deduct all payments from his weekly earnings and partly to the fact that borrowers know that it is their fellow workers' money they are borrowing. They appreciate that any losses are their "buddies'" losses.

Loans are made easy

THE requirements for borrowers are made as simple as possible. Each applicant is carefully investigated. If a man has a good record, he may borrow up to $25 in one unit, or $50 in the other two, on his own signature without endorsement or collateral. The maximum individual loan varies in the different Armco plant units from $100 to $500. No borrower is permitted to have more than one open account at one time. Applicants for loans exceeding $25 must have at least two endorsements, if their record is good. Or, if the credit committee feels that a man is not a good risk, it may require additional endorsers. If the applicant's reputation is unsavory, if the loan is for an improvident purpose, or if his obligations are out of proportion to his income, the loan may be refused. The application frequently discloses that the man needs financial counsel and advice far more than he needs to incur further obligations. In this case an effort is made to straighten out the applicant's tangled domestic finances.

Now let us examine the savings feature more in detail. In the first place, the $412,039 which Armco employees have accumulated demonstrates the credit union's effectiveness as a thrift plan. Every member is encouraged to save a small amount each month, ranging from 25 cents upward. As so many men will not go to the trouble of making regular deposits, the savings may be deducted from their wages. The payment of as liberal an interest rate as the credit union earnings permit also serves as an inducement to save. To insure the liquidity of the investment, any member may withdraw his money on 30 days' notice.

Each borrower is required to purchase at least one $5 share of stock before his loan is granted. After he has repaid the amount borrowed, he is encouraged to continue his savings. As an interesting sidelight, a number of employees previously known to be improvident, after repaying their loans and building up a credit, have been heard to boast lustily of the amount they have saved. In probably no other way could they have been taught the advantages of thrift. As it is, the nest-eggs such improvident men accumulate change their status from dependent to self-reliant citizens. Their individual security is increased.

To encourage saving on a broad scale and to prevent a relatively small group of men from acquiring all the stock, the amount of money any member may have invested is limited. The maximums range from $500 to $1,000 in the different Armco units.

When a man's deposits reach the specified maximum, he has the option of withdrawing a part of his money and continuing his weekly savings, or discontinuing his savings.

The costs of administration are low because the company cooperates with the members. Quarters are provided

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free; the secretary usually fills another position, and his salary is not charged to the credit union. No charge is made for deducting loans or stock. Only when the unit becomes so large that special clerical help must be employed is the credit union required to spend its own funds.

Unlike the management of business which finds its problems multiplied when economic activities are at a low ebb, the credit union's volume and profits increase in such periods. As business improves, the emergency financial needs of its members decrease, and consequently fewer loans are made. The organizers of the credit union movement foresaw this condition, and provided that surplus funds may be invested in any type of investment which is legal for savings banks.

What do the men think of the credit union idea? The growth of membership in the Ashland Credit Union will answer that question:

Date	*Number of members*	*Number of employees on plant pay roll*	*Total deposits*
July, 1932	15	1,689	$ 71.00
Dec., 1932	289	1,689	4,952.00
Dec., 1933	1,133	2,468	42,580.00
Dec., 1934	1,968	2,873	109,828.00
Dec., 1935	2,478	3,076	218,812.00

More than 47 per cent of the employees of the three Armco plants are now members, and the enrollment grows each month.

This rapid growth is more amazing because the company makes no attempt to sell the idea to the men. This is done by the employees themselves. It is their plan. They are operating their own business for the benefit of their fellow workmen.

What do the merchants and the banks think of it? The credit union is not in competition with the business of the average bank and the bankers are glad to see the wage earner encouraged to save and to borrow when in need at a moderate cost. The merchant derives a direct benefit. The credit union means that he can move more radios, refrigerators, washing machines, and other useful articles.

Thus the credit union meets long-felt need in the community. Certainly its rapid growth among Armco men would not have been possible if it had not fulfilled the three fundamentals essential to business success—providing a necessary service, of the right quality, and at the right price.

It Will Be Used Against You

(Continued from page 33)

dustry—"

"I am trying to explain—"

"Senator, did you ever hear of nepotism?"

"I do not admit—"

"Answer the question. Did you ever hear of nepotism?"

"Yes, I have."

"It is obvious that you have. Now, Senator, elsewhere in this letter we find this language: 'It was fine of our friends to take care of you.' Just what does that phrase 'take care of you' mean?"

"Why, at the time, my wife—"

"Just answer the question, please, what does the phrase 'take care of you' mean?"

"Why, I suppose it means 'to look after' or 'to help'—"

"And your friends had been looking after you, or helping you, had they, Senator?"

"To some extent, yes."

"Now we are getting somewhere. And just how were they looking after you, Senator?"

"Why, they were inviting me to dinners and to the theater or to an evening of bridge."

"And giving you a little money, now and then?"

"No!"

"These evenings of bridge, now Senator. Did you win money on those occasions?"

"Sometimes."

"And you were playing with your friends, were you not?"

"Always."

"Then your friends gave you money, did they not?"

"It is unfair—"

"Answer the question, Senator."

"Yes."

"And were these friends lobbyists?"

"No."

"Just a moment, Senator. These friends were interested in legislation were they not?"

"Everybody is interested in legislation."

"We are not discussing everybody. We are discussing your friends. They were interested in legislation?"

"I suppose so."

"So actually you were dined, and entertained and took money from people interested in legislation. That's right, isn't it?"

"I do not think—"

"Answer the question, Senator."

"I suppose I must say yes."

"You admit it, then?"

"I do no—"

"You do! Very well! Senator, would you permit the fact that people interested in legislation had entertained you lavishly, had even given you money—would you permit that

fact to influence your vote on legislation?"

"Certainly no—"

"You say 'Certainly.' Did you get that, Mr. Reporter?"

"I said nothing of the—"

"Senator, you are not here to make a speech. You are here to answer questions. You have answered that question and the reporter has taken it down."

Committeeman Eggle leaned over and nudged the Chairman. He nodded at the clock.

"Senator," the Chairman said, "you are known far and wide, are you not, as the Honest Senator?"

"I have that distinction."

"And you are proud of it?"

"Very."

"And try to deserve it?"

"To deserve it. Yes."

"Then, Senator, have you quit taking bribes?"

"In answer to that—"

"Answer, yes or no, Senator."

"I can't answer yes or no."

"You mean you refuse to?"

"I mean I can't."

Committeeman Eggle leaned forward.

"I believe I can help the Senator," he said. "What he means is that he would have to know the size of the bribe before he could state definitely whether he would refuse it or not."

The Senator sprang up. "Look here," he shouted.

The Chairman's gavel came down.

"The hearing is adjourned until tomorrow," he said, "the witness is excused."

"Poor old Blot," Dash said, when the scraping of chairs and the scuffle of departing spectators had ended.

"He sure went out talking to himself," Corsot admitted.

"You did fine," Eggle told the Chairman. "It couldn't have gone better if we had rehearsed it. And we timed the end just right. Did you see the newspaper men tearing their shirts for the telephones?"

"Will we catch the home editions?" Apponal asked.

"Right on the nose. Incidentally, we ought to send somebody out for some. They'll be out pretty quick now."

Balge sent a colored messenger shuffling out with 50 cents and instructions to buy all the papers. The committee put its feet on the table and smoked.

"Look here," Dash said, "we can't get away with this. The Senate will put a stop to it."

"The Senate won't dare," Eggle said. "If any Senator tries to hush this committee everybody will think he's afraid of us. He can't risk that."

Pretty soon the messenger brought in the newspapers. The committee gathered round as Eggle spread them out.

"Hot dog," said Eggle, "look at this."

NEPOTISM, VOTE
SALE, LAID TO
'HONEST' SOLON

"Gosh," said Dash.

"And this,"

MIGHT ACCEPT
BIG BRIBE, BLOT
ANSWERS IMPLY

"This one isn't so strong," Apponal complained.

Eggle examined it critically.

"It was about all he could do in 48 point type," he said.

BIZ QUIZ
RAPS BLOT

"And," Eggle went on, "this fellow has really helped us. He's given us a quick, easily remembered name. From now on we'll be the 'Biz Quiz'! It's a good beginning."

"And tomorrow," Corsot said, "We'll get Senator Migrain in here and won't we have fun with him!"

Farm surgery

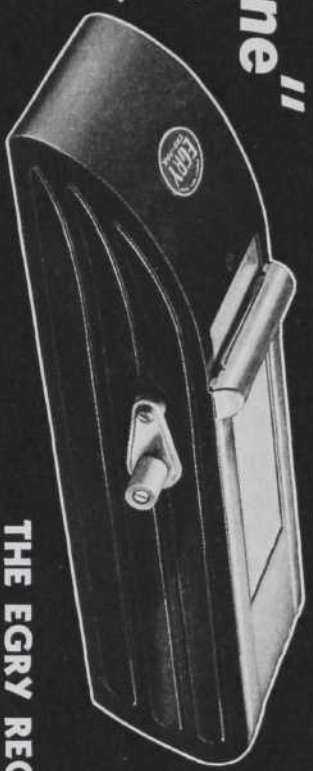
HOW to make agriculture pay is a problem which transcends the immediate interest of the farm population. Too much land in production is a ready explanation. But what is the excess? By reckoning of Dr. Alonzo E. Taylor of Stanford University, 250,000,000 acres. Cut the billion acres now in use by that figure, he recommends, and spread the total income among 2,000,000 fewer farm people.

No dependable solution does he see in the idea of using farm land for growing industrial materials. "As has been illustrated by indigo, rayon, and artificial leather, and may soon again be shown in artificial wool, the achievements of chemistry are not all in the direction of commercial profit of farmers."

The longest root of his doubt seems to get down to a belief that there is a "co-existence of peasant farming and ultra modern industry." Regimented the farmer no doubt is. To think of him as a drudging serf bound to a routine of a wearisome tillage pushes fact too far. All well enough for an English poet, dead before the birth of this nation, to say

> ... a bold peasantry, their country's pride,
> When once destroy'd, can never be supplied.

Accounts of what happened at Lexington and Concord seem to argue that one country's peasants may be another country's free men.

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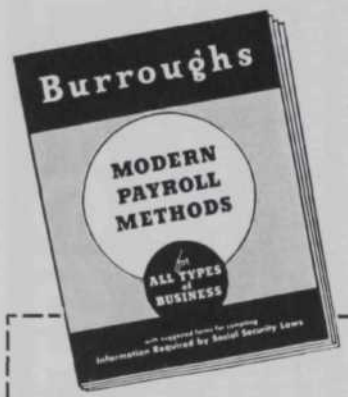
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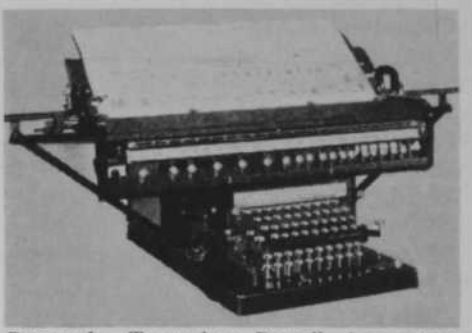
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Send me the new folder, "Modern Payroll Methods"—which includes illustrations of forms for compiling figures required by the Federal Social Security Act.

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NEW MACHINES FOR PAYROLL ACCOUNTING



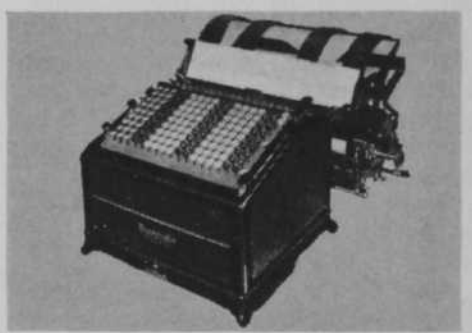
Burroughs Typewriter Payroll Accounting Machine writes check, earnings record, employee's statement and payroll summary in one operation. Column selection automatically controlled. All totals accumulated.



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Burroughs Automatic Payroll Machine writes check, employee's earnings statement, earnings record and payroll summary in one operation. Accumulates all necessary totals, automatically ejects and stacks checks in order.

Business Highlights and Sidelights . . .

World fellowship of trade

WHAT the chamber of commerce idea signifies in potential service to the business world is eloquently suggested through a directory issued by the National Chamber's foreign commerce department. Taking its title from the fact that there are 8,000 active chambers throughout the world, the booklet reveals that there are 5,427 in the United States. Of all the chambers listed, 6,694 are English speaking, including 37 American chambers abroad. There are 36 state chambers and 109 chambers which have special facilities for handling foreign trade inquiries. Once it is generally understood that the underlying membership of the 8,436 active chambers constitutes the major representation of the world's business concerns, chamber qualifications for promoting trade will invite increasing use as well as recognition.

A one-man government

C. R. NIMMONS, "consolidated officer" of Johnson City, N. Y., town of 11,000, has held this position for several years, since residents demanded simplification of their government through consolidation of offices, with economy a secondary objective.

At one time Johnson City employed from nine to twelve men to transact the duties of village clerk, treasurer, tax collector, assessor, building inspector, registrar of vital statistics and water rent collector. The clerk and the tax collector were employed on a full time basis, while the other posts were distributed among village residents "of the correct political affiliation." These employees cost the village about $12,000 a year. Mr. Nimmons performs all of the above duties, at a considerable saving in salary to the city.

In *Municipal Finance*, quarterly journal of the Municipal Finance Officers' Association, he emphasizes that he is "not separately a treasurer, a tax collector, a clerk," but that he is an "administrator of interrelated municipal affairs." This "fingertip control," he says, "minimizes duplication of effort and contributes to greater efficiency and economy." Collection of water rents and special assessments, for example, is carried out by identical methods in so far as possible under restrictive state laws. . . . Index-systems—the same for building inspections as for vital statistics—permit easy reference. . . . A plan which has proved efficient in one department is adopted for use in another. The conduct of the assessor's and treasurer's posts by a single person has permitted establishment of a system of uniform assessment and has resulted in the elimination of complaints on alleged unfair assessments.

Tools tell their worth

THAT good tools make good workmen is an adage with new possibilities of accent. The Monarch Machine Tool Company, Sidney, Ohio, provides the emphasis on the worth of its products by means of a metal plate, which includes a blank space for inserting the figure for "cost installed." How well this innovation works in plants where the machines are placed is told by W. E. Whipp, chairman of the National Machine Tool Builders Association's marketing committee.

While understanding in a vague way that the machines and tools on which they worked were expensive, the men took vastly increased pride in their workmanship and turned out better work after the actual cost of the machines was called to their attention. They accepted their jobs more as tasks of trust and confidence, rather than as routine work, took better care of the machine, and in general seemed to realize that the management had placed in them a substantial amount of confidence by turning over to them the operation and care of such a large investment in plant equipment.

Make a man know how much he is the trustee of other people's property, and the chances are he will care for it pridefully as his own.

Vegetables without soil

CALIFORNIA nurserymen are growing tomatoes, strawberries, and sweet peas without soil in chemically treated water heated by electricity. Commercial growers in Capitola, Los Angeles, Watsonville, and Richmond are using the water basin method taken from the laboratory at the University of California where Dr. W. F. Gericke has pioneered and developed nutrient plant solution agriculture.

Water-filled vats, on the bottom of which are electric heating cables, are covered with mesh chicken wire. Excelsior, sawdust, or suitable litter spread on the wire serves as seedbed and insulation against heat loss. Plants or seeds are placed on the bedding, kept moist by water in the basins. As the plants grow, the roots enter the water. Then chemicals are added as fertilizing units supplying the elements, each in proper form and concentration for the use of plants. The chemically treated water is kept at the proper temperature by the electric heating cable, controlled by thermostats.

Two Capitola nurserymen, first to use Dr. Gericke's method commercially, late last October began to plant 10,000 tomato seedlings in a specially constructed greenhouse, 200 by 800 feet. The plants grew up spiral wire supports toward the glass panes in the house-top, their roots passing through the seedbed into the chemically treated and electrically heated water which produced rapid and vigorous growth. The plants attained a height of 10 feet in less than four months. By this method the nurserymen were able to put tomatoes of unusually high quality on the market ahead of their competitors. The yield was large and commanded a premium.

Housing's new lingo

ACTIVITY of public authority in the housing field has made occasion for a lingo all its own. Old words are found in new combinations and with new meanings. Terms that have become topics of the times include: "blighted area," "slum clearance," "strip kitchens," "satellite towns," "dormitory towns," and the like. If a citizen wants to know what's what he can turn to a sample glossary in the *Housing Officials' Yearbook*, issued by the National Association of Housing Officials.

Since it requires more than one organization's arbitrary definitions of housing terms to make an "official" glossary, the Association points out that it is presenting only a few terms now. It hopes, however, that current study of further definitions by the government housing agencies and others will result in unanimity of opinion sufficient to warrant the publication of a larger and more authentic glossary later in the year.

It looks as though the citizen will have to wait for a special dictionary to know what one kind of planned economy has done to him.



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H. P. Somerville, Managing Director

When Business Men Disagree

(Continued from page 30)

fused with "compromise," the terms are not synonymous.

Arbitrators, when they find a person entirely wrong, hand down a decision just as a court would do. The gentleman who became involved with the rat trap, for instance, received nothing whatever from the arbitrators, who were not convinced, after hearing all the evidence, that he had not actually been testing the efficiency of the trap and caught himself. The manufacturer who asked an allowance on overcoat material was another who got nothing for his pains. Expert arbitrators determined that the coating offered was of equal quality with the samples from which the purchase was made.

This case, incidentally, differs somewhat from the others mentioned in that the contract between the woolen mill and the clothing maker included an arbitration clause. Such clauses are becoming more and more common as business men and others become familiar with arbitration. It appears today not only in small contracts but in bigger transactions. Cases involving as much as $100,000 are frequently referred to arbitration while those involving millions are not uncommon.

Arbitration clauses are common

THE wording of the arbitration provision for contracts has been carefully worked out by the Arbitration Association in conformity with court decisions.

Such clauses have become standard in the contracts of many industries. The Actors' Equity Association has included it in its Basic Minimum Contract with managers since 1926. More than 500 controversies arising out of such contracts have been referred to the American Arbitration Association. Of these no doubt the best known is the "Act of God" baby case of Helen Hayes. Another grew out of the unwillingness of a popular actress to leave New York. In conversation with her manager she had gotten the impression that the play in which she was appearing would not go on the road. Accordingly she had rented a New York apartment and begun a business deal which necessitated her presence in New York.

Shortly afterward, the manager's lease on the theater expired. He could obtain no other theater and so decided to take his play to Chicago. He maintained that his conversation with the actress had been to the effect that the show would have no road tryout but would open in New York. This had been done.

The arbitrator, a New York business man, ruled that the actress must give two weeks' notice—which was specified in her contract—if she wished to leave the show. Accordingly she had to go to Chicago for the opening there.

The fur industry, the shoe industry, warehousemen, construction, garment trades, textiles, and graphic arts are others which include arbitration clauses in standard contracts of various sorts.

Private affairs are arbitrated

BUT business is not the only field where arbitration is proving expedient. It is also being used more and more in controversies growing out of human relations where privacy is desirable.

It was used not long ago in a dispute between an exclusive girls' school and the parents of one of its students. The student had been disciplined, together with several other girls, for an infraction of the rules. As a result, her parents withdrew her from the school and refused to pay her tuition for the remainder of the term. The school maintained that the girl's registration card constituted a contract and that its terms stipulated that, in the event of withdrawal, the full amount of tuition should be paid. Arbitration brought a satisfactory settlement without publicity.

Even alimony can be adjusted in this way as a husband demonstrated when he asked the Association to consider his predicament. He and his wife had entered into a separation agreement under which he was to pay her a certain sum each month. Later, because of the depression, his income was greatly reduced. Three arbitrators heard the case and, after hearing sworn testimony of the husband, revised his monthly payments downward.

In rather sharp contrast to such personal cases are those between importers and business men of foreign countries. Through cooperation with foreign chambers of commerce, arbitration has been used to adjust differences involving velveteen from Czechoslovakia; stationery from Germany; linens from Belgium and wines from France.

In the western hemisphere, the Inter-American Commercial Arbitration Commission, which began to function in 1934, provides arbitration facilities for disputes between citizens of almost any countries.

It was in a dispute having an inter-

national flavor that arbitration demonstrated that, like music, it may soothe the savage breast.

The question arose when a New York importer delivered to a manufacturer $37,000 worth of paperboard stock to be made up into pie plates and similar products.

The manufacturer declared that the paper was not of the specified weight and thickness, maintaining, curiously enough, that it was too good rather than not good enough. Being thicker than he had specified, it caused manufacturing and shipping difficulties.

Three arbitrators experienced in the heavy paper trade heard the case and retired to consider their decision. While they waited, the manufacturer and importer started negotiations for another shipment of paper.

When the arbitrators returned with a verdict that the manufacturer should have an allowance of 2.5 per cent on the purchase price of the disputed board, the parties to the controversy left arm in arm. Riding down the elevator from the hearing room, they completed arrangements for a future shipment of paper.

Toledo's Plan to End Strikes

(Continued from page 46)

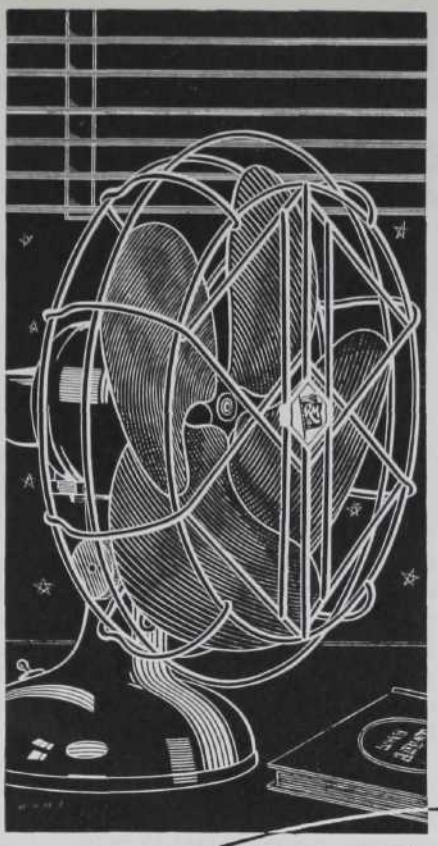
early to indulge in any prophecies about the future of this sort of machinery either in Toledo or in other American cities.

But certain it is that community feeling in Toledo has greatly improved, and that public confidence has been restored, through the mere existence of the Peace Board machinery.

Even those who are skeptical about the Peace Board—and it should be known that many are skeptical, in the ranks both of management and labor—recognize that public morale in Toledo has benefited, and that the standing of Toledo before the country has been greatly improved.

It is a fact, moreover, that since the Peace Board became effective, no labor situation has developed anything like the extent of ugliness of conflict which characterized earlier labor troubles in the Toledo area. Only one difficulty has developed into a strike of any stubbornness. In that case, while both parties were somewhat reluctant at first to throw their cards on the table before Peace Board representatives, those representatives had a major part in the settlement.

Yes, industrial relations in Toledo are better, vastly better, in 1936 than they were in 1935, and even upon the basis of a conservative judgment, the better relations are unquestionably owed to an important extent to the Toledo Plan for Industrial Peace.

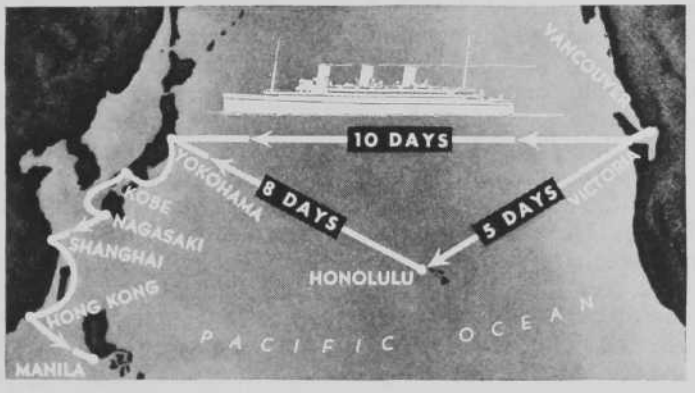


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☆On breathless, humid nights, let these broad, air-dipper blades sweep sleep your way. Your new R & M *De Luxe* will run all through the night, quiet as a purring kitten. . . . We build this fan for clever people who know that cheap, one-season fans are extravagant. We guarantee it for five years. Even so, it costs no more than some of the ordinary kind. But it *looks* expensive—it's so smartly turned out in bright black and silver bronze. . . . Ask your dealer for the 10-inch oscillating R & M *De Luxe*—$14.45. Robbins & Myers, Inc., Springfield, Ohio.

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Salvaging Overdue Accounts

Poor credit risks made good

By LYNN C. MAHAN

CHRONIC poor-pay boarders whom any credit manager might reasonably have evicted have been converted into prompt pay star customers by a credit manager who took the time to analyze a problem, decide how he would solve it and then stick to his course. Not only did this man convert bad risks into good risks but he increased his company's volume of business with them by 500 to 700 per cent.

He is E. L. Boneau, credit manager of the Brown Shoe Company of St. Louis.

Realizing that something had to be done to correct what he considered an unhealthy trend in the use of credit, Mr. Boneau, eight years ago, began to develop new credit methods which now distinguish him among his associates as "the credit man with a sales sense."

Help for slow payers

HIS first step was to create a group of "concentration accounts" including customers scheduled for eventual elimination because of poor credit. Like many credit managers, Mr. Boneau has had to weed out credit parasites, but he recognized that many of his accounts which were showing credit difficulties were worthy of help. He abandoned the old idea of perfunctory elimination and proceeded on the theory that credit and merchandising helps would salvage many wavering customers.

As a result of his tactics, the "concentration account" plan accomplished a two-fold goal: It not only relieved his house of a credit burden; it also did a sales job in expanding volume.

It is not easy to go to a customer and say, in effect:

"Your credit situation with us is not so good and we would like to conduct an experiment to help you out. We want you to become a 'guinea pig' in this experiment."

But Mr. Boneau said it to a substantial number of such accounts, and found many willing to play ball with him.

He recognized that merchants wanted to pay; that they were having hard times and honestly needed help.

He discovered, for one thing, that the retailer was having his own credit difficulties. Many times it was a case of retailer-can't-pay-until-consumer-pays-him. In short, the retailer was wearing the same footwear as he, and the pinches could be removed simply by correcting the last. This they jointly set about to do.

"Can we help you improve your method of extending credit?" Mr. Boneau would say. "Are some of your customers unworthy of credit? Can't we work together and weed them out?"

Or he might suggest:

"I'm afraid this order would overstock you on this particular style; suppose you reduce that item by ten per cent."

Again he might sell the idea of an improved set of books. In the field of accounting or advertising, merchandising or display, there was an answer somewhere in the Brown organization for the willing retailer; and Mr. Boneau was the liaison man.

"This is the sort of alliance that must be formed if the retailer is to meet chain competition," he said. "My opinion is that most failures in the retail field come about because of waste in distribution rather than from competition; and when the independent retailer learns to do the job as efficiently as the chains, he will secure his place in the retail field."

Mr. Boneau believes that chain store merchandising has set a pace, and that it would be well for independent retailers to apply to their own operations those chain store methods which have proven advantageous.

"The future of independent retailers depends in a large measure on their ability to compete with chain store methods in merchandising, record keeping, advertising, and all other departments," he says. "By employing expert counsel such as the chains use he can hope to do this."

In appraising his experiment, it is apparent that Mr. Boneau neither eased nor tightened up. He simply devised a new approach which brought sales increases from the experimental group, together with steadily improved credit conditions, not only among the concentration accounts but among all accounts, as well. A look at the credit performance proves this.

The low water mark in collections was reached in 1933. This mark was improved by seven per cent the next year and by the Fall of 1935 was up another three per cent—a ten per cent improvement in less than 18 months.*

Credit condition improved

IN the spring of 1932 (long before the banking holiday), the average "days outstanding" of accounts receivable was approximately 16 per cent greater than in the spring of 1935 and 20 per cent greater than last fall. Similarly, orders declined for credit reasons, dropped from a high of 5.3 per cent in the spring of 1930 to 1.8 per cent in the fall of 1934. Credit losses showed a decline of approximately 90 per cent from the spring of 1931 to the fall of 1934.

There is something more significant in the development of Mr. Boneau's plan than the conception of the idea. It is the success with which the plan of manufacturer-aid has met. Wholesalers and manufacturers for many years have attempted to help retailers plan their merchandise campaigns. Thousands of dollars have been spent in so-called dealer-helps, but frequently the retailer—the traditional rugged individualist—has declined to go along. He has chosen to do things his own way.

Perhaps it is through credit departments that this desired closer alliance can be engineered. A friend in need gains a strong foothold, and it may be that friendly tactics by the credit department can accomplish what the sales and merchandising men have been attempting.

*The Brown Shoe Company operates what is known as the "Brown Plan" of manufacturer-retailer alliance under which the retailer has a definite, voluntary tie-up in merchandising aids, advertising and store-identification. Retailers operating under this plan are not included in figures given in this article.

It Takes Time to Make Friends

★

NOTHING FOSTERS SALES LIKE FRIENDSHIPS . . . solid business friendships based on long acquaintance, confidence and mutual satisfaction. Such friendships are the one principal advantage an old firm has over an aggressive newcomer.

A magazine's strength lies in its friends, too . . . in those staunch believers who put down the full subscription price for a year or two or three—not just once but time after time.

Nation's Business keeps its subscribers long enough for advertisers to make lasting friends of them. In the last thirteen years an average of 54% of all Nation's Business expirations have been renewed—all of them for a full year or more.

It keeps its advertisers, too. The fifty-three in this July issue average six years in the book. That's because results are profitable.

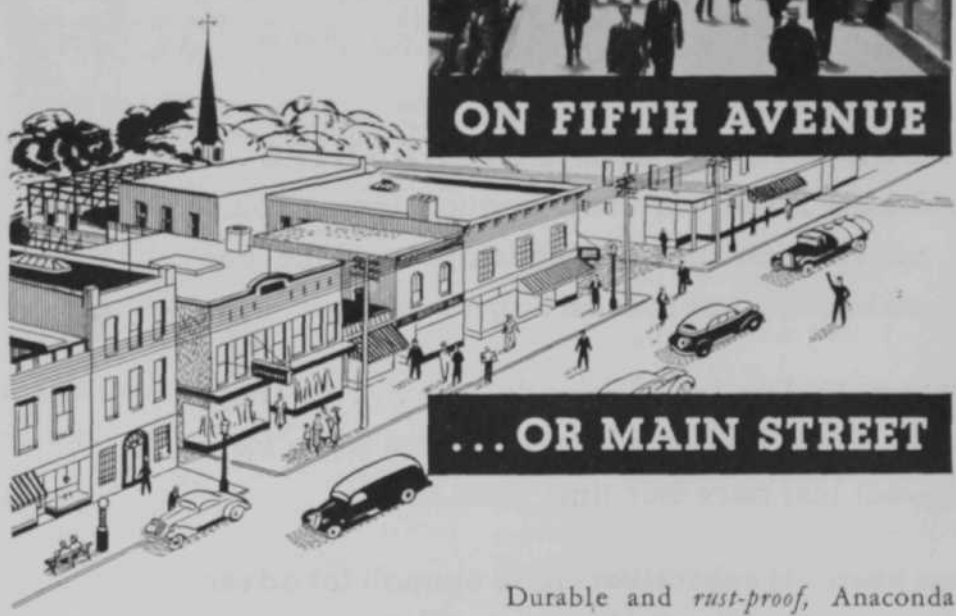
NATION'S BUSINESS

WASHINGTON

Store Fronts of Enduring BRONZE Help Sell Goods



ON FIFTH AVENUE



...OR MAIN STREET

THE PRINCIPLE of merchandise display is the same everywhere. Put attractive goods in an attractive setting and you have gone a long way toward making them irresistible to buyers. And this principle holds, whether those buyers live on the Atlantic or the Pacific coast, in cities large or small.

Anaconda Architectural Bronze ... used for store fronts, windows and building entrances ... brings new character and distinction wherever it is installed. The richness of bronze, and its quiet dignity, bespeak quality ... without distracting attention from *what you have to sell.*

Durable and *rust-proof,* Anaconda Architectural Bronze renders *permanent* service. It is easily cleaned and may be kept in its original state with only slight periodic care. And once correctly installed, its upkeep costs are negligible.

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The American Brass Company is the principal supplier of bronze, copper and nickel silver in the form of extruded shapes, drawn shapes, sheets, etc., as used in the construction of ornamental work of every description. 36231

THE AMERICAN BRASS CO.
General Offices: Waterbury, Conn.
Offices and Agencies in Principal Cities
In Canada: ANACONDA AMERICAN BRASS LTD.
New Toronto, Ont.

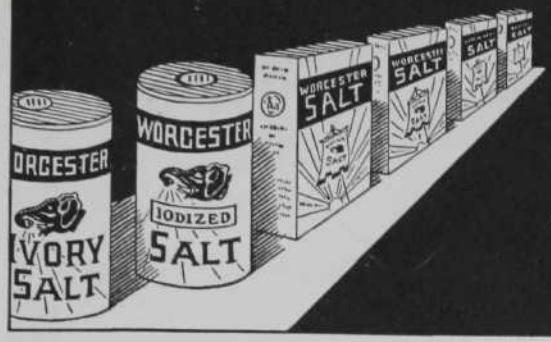
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THE 'PECK'S BAD BOY' OF SALT IS RUST





...We keep it out of Worcester Salt with the rust-proof metal... MONEL METAL

by **CHARLES H. DICKSON**
Vice President in charge of Manufacture, Worcester Salt Company





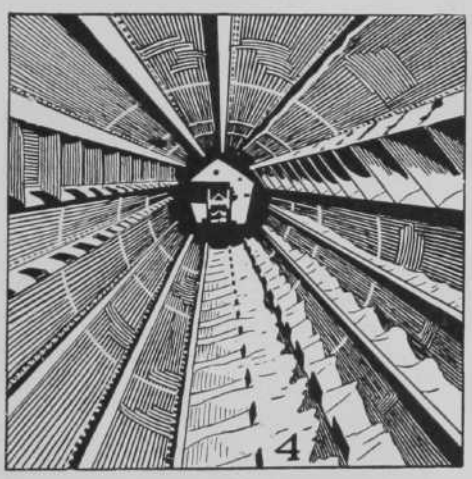
1. You 'use' about four pecks, or seventy pounds, of salt every year. But of course you don't *eat* all that. Most of it never gets near your salt cellar. It's used *for* you by various industries:

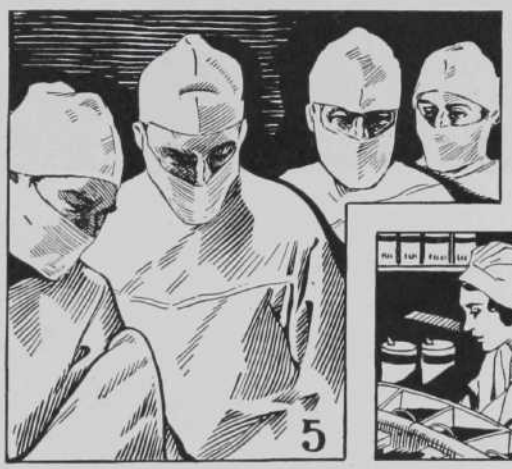
2. Butter and cheese makers, meat and food packers, bakers and livestock raisers and textile, soap, chemical and dye manufacturers all use salt.

3. The worst enemy of any peck of salt is rust. And yet salt and brine are Nature's two worst rust breeders. So no wonder our hardest job is to keep rust *out!*

4. Over 25 years ago we discovered that Monel Metal doesn't rust even in our rotary driers, handling *wet* salt. Since then we've learned about other valuable properties, too.

5. For instance, there'd be no advantage in keeping out *rust* if we opened the door to some other form of metallic







decay. However, our Monel Metal resists all the forms of corrosion we meet, and our salt is so pure that it bears the official seal of acceptance of the American Medical Association, Committee on Foods.

6. And while salt grains are not excessively hard, 1,000,000 pounds a day would soon wear away most metals. But not Monel Metal. It is tough. Our packaging machines prove that.

7. *Even if* YOUR *factory processes* DON'T *rival Mr. Dickson's in corrosion or wear...or your products require such a high standard of purity... still there are many ways in which Monel Metal can save money for you and improve the quality of the things you sell. Ask* INCO *for the evidence. Address:*

THE INTERNATIONAL NICKEL COMPANY, INC.
67 WALL STREET NEW YORK, N. Y.

Monel Metal is a registered trade-mark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.

MONEL METAL

Drink Coca-Cola Delicious and Refreshing

Part of the game... *the pause that refreshes*



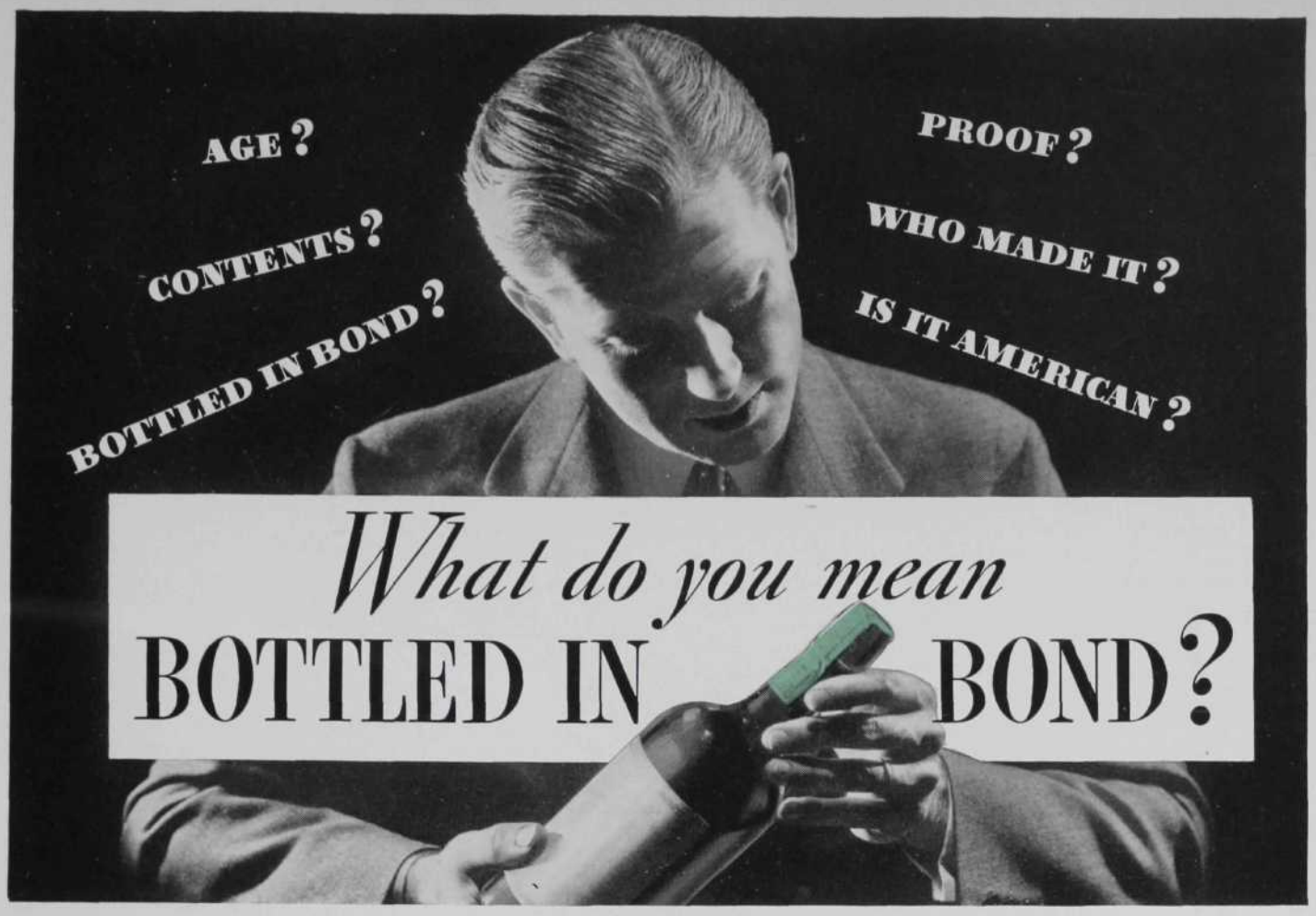
COCA-COLA CO., ATLANTA, GA.

From sand-lots to the big leagues, no game is the same without ice-cold Coca-Cola. Its tingling good taste is the reason why everybody welcomes it. Its life and sparkle make it refreshing,—so refreshing.

GET THE **FEEL** OF PURE WHOLESOME REFRESHMENT

5¢





What do you mean BOTTLED IN BOND?

NEXT time you step into a liquor store or up to a bar look closely!

You'll see that some whiskey bottles bear GREEN stamps, some RED ones, some BLUE, and others YELLOW.

What do these different colored stamps mean?

The RED stamp means that the special American revenue tax has been paid. The product is legal.

The BLUE and YELLOW stamps identify the whiskey as a product of Canada.

But the GREEN stamp – it gives a gold mine of information to the consumer!

It is the Bottled in Bond stamp of the United States Government – the only stamp which identifies made-in-America Bottled in Bond whiskey!

And no other whiskey in the world has to meet such a stiff set of specifications!

That GREEN stamp means the whiskey in that bottle has met the drastic requirements of *United States* law as to full 100 proof, as to a full four years' aging in charred oak barrels, and as to freedom from the addition of younger whiskies or spirits.

French cognac may be bottled at 80 proof; Scotch whiskey at 86 proof, and Canadian whiskey may be bottled in bond as low as 90 proof.

United States bottled in bond whiskey must be absolutely straight and 100 proof.

Scotch whiskey may be a blend of a number of distillations. Canadian law permits the addition up to 10 per cent of either spirits or younger whiskey to make up for evaporation during the aging period. *United States law grants no such concessions!*

The GREEN stamp is proof of bottled in bond whiskey. The National Distillers emblem is your insurance of fine bottled in bond whiskey.

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All 100 proof and at least 4 years old

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OLD OVERHOLT
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Boones Knoll **Bourbon de Luxe**
Sunny Brook **Blue Grass**
Hill & Hill **Old McBrayer**
Bond & Lillard

Straight Wheat Whiskey
Black Gold

Your Guide to Good Whiskey

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give smokers a lot of pleasure

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